

MAR 25 1927

NATION'S BUSINESS

April



1927

Cities Enter The New
Competition *by Merle Thorpe*

Who Gets Your New Tax
Billions ? *by W^m P. Helm, Jr.*

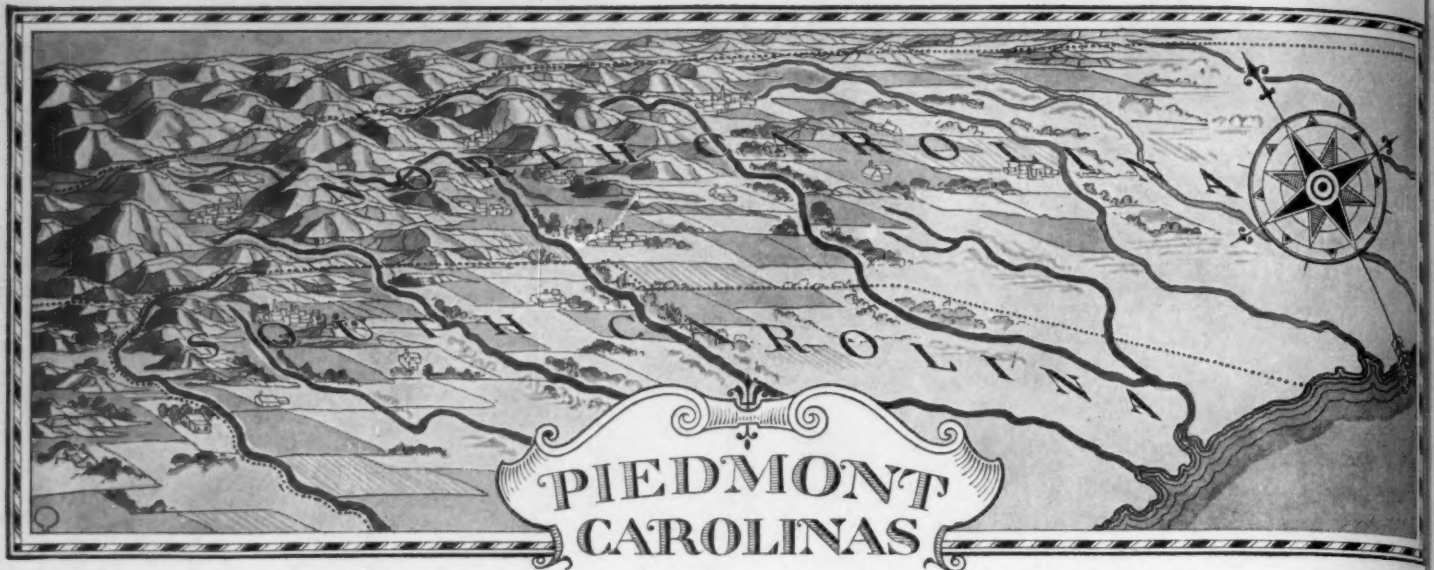
*The Not-So-Good Old
Days & by William Feather*

Map of Nation's Business, Page 46



Published at Washington by the Chamber of Commerce of the United States

A QUARTER OF A MILLION CIRCULATION



Where Wealth Awaits You ~ ~



For every man now employed in industry in Piedmont-Carolinas, three are awaiting a chance for such employment. Intelligent, ambitious, quick to learn—and 99% native born.



During the time that general riches have increased 35% per capita in the Nation's five richest states, the per capita increase in Piedmont Carolinas has been over 105%.

A HARVEST of corporate and personal wealth lies in this rich region. It will be gathered by those American business men—of large or small means—who are aggressive and experienced and who investigate the opportunities offered here.

This is *foundation* wealth, on which all business fortunes are built—intelligent labor, an abundance of economical power and a rich market nearby, eager to buy the products of manufacture.

Labor. Less than one-fourth the available labor of the Carolinas has been recruited to industry. There is available on farms three times as much as is now employed in manufacture—a steady and willing supply that only awaits an opportunity for industrial employment.

Over 99% are native born, of sturdy English, Scotch and German pioneer stock—intelligent, ambitious, quick to learn. They are a source of constant satisfaction to executives who, by coming here have freed themselves of the unending demands and un-American ideals prevalent in some older, highly industrialized sections.

Power: Tremendous development of hydro-electric power—879,000 horsepower capacity—now delivering annually 1,400,000,000 kilowatt hours throughout this busy region over 3,000 miles of high tension transmission line to 160 thriving communities.

The potential hydro-electric power of the Carolinas (U. S. Geological Survey)

equals that of New York State, with its inexhaustible supply at Niagara and along the St. Lawrence. It is more than *double* that of any other eastern state, North or South.

Markets: With 5,000 miles of broad, modern hard surfaced roads a net work over the region, shipment by motor truck supplements the service of the 6,000 miles of railroads in transporting goods to market. Some idea of the potentialities of the region may be gained from the fact that annually the Carolinas *import* \$332,000,000 worth of food and feed products. The cotton mills alone purchase \$68,480,000 worth of supplies and equipment every year.

Nowhere else is there such a combination of immediate opportunity, possibility for the future and unusually pleasant living conditions. The climate of Piedmont Carolinas is cool and bracing in summer, comparable to southern New York State. In winter it averages 20° to 25° warmer. Homes and property are inexpensive. Cities are not overgrown. Splendid schools. Tree-lined streets are paved and electrically lighted, but there is plenty of space at the curb to park your car. The country club is only a few minutes' drive out from town.

Good business and good living await you in Piedmont Carolinas. Why not get facts that apply to *you* and your individual interests? Our *Industrial Department*, Room 101, Mercantile Building, Charlotte, N. C., gladly places its facilities at your service. Write.

DUKE POWER COMPANY

OWNERS OF SOUTHERN POWER COMPANY, SOUTHERN PUBLIC UTILITIES COMPANY & ALLIED INTERESTS

April,



HOW
He
interview
head of
ington
velopme

The w
gous to
ing acro
stoppage
closets
and the
although
the slum
But v
closet?
nasty th
the unim
foolish s
distracte
daughter
sordid u
and prom
uneasy c

These
no doubt
and high
this pro
things n
My s
My c
need at
dentist.

My a
when it
Or,
My s
to cand

He n
running
He

bought
All o
all of t
Winkle
unable
let her
in our
life sha

Police
of life
others.

point v
to prot
further
church

HEA
N
Our

mer, N
\$50,000
United

Twen
sia.
lished i

Jews
Y. M.
Milli



HOW government grows and grows! Here are two paragraphs from an interview with Lieut. Mina Van Winkle, head of the Women's Bureau of the Washington Police Department, urging the development of her department:

The work of the Woman's Bureau is analogous to the motion picture constantly passing across the screen without intermission or stoppage. The pictures are of the skeleton closets of a big cross-section of the people and their communities, largely respectable although sometimes there are dips down into the slums and the underworld. . . .

But what of the ghosts of the skeleton closet? They are of many forms; the cheap, nasty theater, the unsupervised dance hall, the unmarried mother, the runaway boy, the foolish shoplifter, the child of the streets, the distracted mother unable to control her daughter, and a thousand other specters of sordid unhappy problems which, if properly and promptly adjusted, could come from the uneasy closet into the sun of the living room.

These are undoubtedly noble objects, and no doubt Mrs. Van Winkle is conscientious and high minded. But suppose we carry this proposal just a step further. These things may be possible:

My stenographer may henna her hair.

My office boy may have two teeth that need attention and be afraid to go to the dentist.

My assistant may refuse to wear rubbers when it rains.

Or,

My small boy may have helped himself to candy and then fibbed about it.

He may have gone to school four days running without brushing his teeth.

He may have hooked a nickel and bought chewing gum with it.

All of these conditions are regrettable; all of them need regulation. If Mrs. Van Winkle can regulate "a distracted mother unable to control her daughter," why not let her regulate my son? At what point in our passion for regulation of individual life shall we stop? We used to feel that a Police Department was for the protection of life and property from attacks by others. Now it seems to be coming to a point where it is the purpose of the police to protect the individual from himself, and further relieve parents and school and church of their time-honored responsibilities.

HEADLINE Collisions in a Month's News—

Our Liberty Waning, Thinks Dean Sommer, New York Law School Head. . . . \$50,000 Worth of Champagne Seized on United States Ship.

Twenty Plants Making War Gas in Russia. . . . 22,000 Newspapers Now Published in the United States.

Jews Denounce Immigration Law. . . . Y. M. C. A. to Build Jerusalem Center. Millionaires Said to Grudge Will Fees

Table of Contents

Linoleum block cover decoration by Balcorn

E PLURIBUS UNUM, AN EDITORIAL.....	THE EDITOR	13
CITIES ENTER THE NEW COMPETITION.....	MERLE THORPE	15
WHO GETS YOUR NEW TAX BILLIONS?.....	WILLIAM P. HELM, JR.	18
<i>Cartoons by Albert T. Reid</i>		
THE INVESTMENT BANKER ON GUARD.....	PLINY JEWELL	20
<i>Cartoon by Fitzpatrick</i>		
WHAT DOES THE STOCK EXCHANGE DO?.....	E. H. H. SIMMONS	23
THOSE NOT-SO-GOOD OLD DAYS.....	WILLIAM FEATHER	26
<i>Illustrations by Frank Murch</i>		
AN EDITOR'S IMPRESSION OF A DRY GOODS CONVENTION.....		28
SPREADING A GOSPEL OF TRANSPORTATION.....	JOHN N. WILLYS	30
BABBITT THROUGH THE AGES—V.....	CHARLES DUNN	31
EDITORIALS.....		32
THE BATTLE FOR THE BANKING BILL.....	Senator CARTER GLASS	34
GEOGRAPHY'S PART IN FACTORY SITES.....	JOHN A. PIQUET	37
<i>Illustrations by A. E. Kromer</i>		
THIS BUSINESS OF GETTING 'EM DRESSED.....	WILLIAM BOYD CRAIG	42
THE MAP OF THE NATION'S BUSINESS.....	FRANK GREENE	46
SIERRAS' SNOWS ARE PUT TO WORK.....	W. K. SMITH	50
WHY NOT PUT OUR IDEALS TO WORK?.....	IRVING T. BUSH	56
THIS VERSATILE GAS.....	C. W. PERSON	59
"THE FIGHTING 69TH" IN REVIEW.....	FRANCIS COPELAND	60
WHAT THE WORLD OF FINANCE TALKS OF.....	M. S. RUKEYSER	64
A LUSTY INFANT INDUSTRY.....	FRANCIS J. OPPENHEIMER	72
A CHEMIST TALKS OF BUSINESS.....	N. C. McLOUD	76
WHEN BUSINESS GOES TO THE LIBRARY.....	DORSEY W. HYDE, JR.	80
DO FARMERS PREFER FLIVVERS?.....		84
LOANS A MENACE TO THE TARIFF.....	W. L. CLAUSE	89
BUSINESS VIEWS IN REVIEW.....	ROBERT L. BARNES	94
RECENT FEDERAL TRADE CASES.....		104
CAN THE FARM BE FACTORY-IZED?.....	SAM R. McKELVIE	106
PUTTING STATISTICS TO WORK.....	E. H. BROWN	110
THIS BUSINESS OF RETAILING.....		114
OURSELVES AS OTHERS SEE US.....		120
GOVERNMENT AIDS TO BUSINESS.....		125
CHIPS FROM THE EDITOR'S WORK BENCH.....	RAYMOND C. WILLOUGHBY	130
CHAMBER "DO'S" AND "DON'TS"—VII.....	COLVIN B. BROWN	136
NEWS OF ORGANIZED BUSINESS.....		138
ON THE BUSINESS BOOKSHELF.....		146
HUMAN NATURE IN BUSINESS.....	FRED C. KELLY	148

Vol. 15

NATION'S BUSINESS

No. 4

Published Monthly by the Chamber of Commerce of the United States, Washington, D. C.

MERLE THORPE, Editor and Publisher

Managing Editor
WARREN BISHOP

Business Manager
J. B. WYCKOFF

Director of Advertising
GUY SCRIVNER

Circulation Manager
H. M. ROBINSON

GENERAL OFFICES: WASHINGTON, D. C.

Editorial Staff
CHESTER LEASURE
RAYMOND WILLOUGHBY
WM. BOYD CRAIG
ROBERT L. BARNES
WILLARD L. HAMMER

New York
Woolworth Bldg.
Detroit
General Motors Bldg.
Chicago
Metropolitan Bldg.

Branch Offices
St. Louis
Chamber of Com. Bldg.
Cleveland
Keith Bldg.
Pittsburgh
Chamber of Com. Bldg.
San Francisco
Merchants Exchange Bldg.
Philadelphia
Chamber of Com. Bldg.
Baltimore
Asso. of Com. Bldg.

SUBSCRIPTION RATES: Three years, \$7.50; one year, \$3.00; single copies, 35 cents.

As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers to which expression is given.



Temple of Kiyomidzu, Kiyoto, Japan

Attractive Fares to 5 Orient Ports and return

Note these roundtrip fares to the Orient:

\$600 **Yokohama and return.** Sail from Seattle for Yokohama, returning via Honolulu to San Francisco. Or return direct from Yokohama to Seattle.

\$692 **Shanghai and return.** Sail from San Francisco for Honolulu, Yokohama, Kobe and Shanghai, returning from Japan to Seattle. Or return from Yokohama to San Francisco via Honolulu.

\$750 **Manila and return.** Sail from Seattle for Yokohama, Kobe, Shanghai, Hong Kong and Manila, returning through the same ports and via Honolulu to San Francisco. Or return from Japan to Seattle.

Go on palatial President Liners. Decks are spacious. Outside rooms with beds, not berths. The cuisine is excellent.

A Dollar Liner sails every week from Los Angeles and San Francisco for the Orient and Round the World.

Every fortnight from Boston and New York for the Orient via Havana, Panama and California.

An American Mail Liner sails every two weeks from Seattle to the Orient.

From Naples, Genoa and Marseilles fortnightly sailings of Dollar Liners for Boston and New York.

Liberal stopovers of one week, two weeks or longer at any port.

A new field for work or play awaits you across the Pacific. Go now.

Complete information from any steamship or railroad ticket agent or

American Mail Line Admiral Oriental Line Dollar Steamship Line

32 Broadway New York
604 Fifth Ave. and 25 B'way, New York
177 State Street . . . Boston, Mass.
Dime Bank Building Detroit
Robert Dollar Building, San Francisco, Calif.

112 W. Adams St. Chicago, Ill.
101 Bourse Bldg. . . Philadelphia, Pa.
514 W. Sixth St. . . Los Angeles, Calif.
1519 Railroad Ave., So., Seattle, Wash.



... Will Hays Gives Church a Tenth of Fortune.

Communism Is Dying Here, Survey Shows. ... Furriers' Unions Act to Expel Reds.

Cornell Dean of Women Says College Girl As Good As Ever. ... Harvard to Punish Rioting Students.

Dr. Harris Says New York Has Food for Only Three Days. ... Lunch Wagon, After Eclipse, Is Back Again.

Fights In Congress Tamer Than Old Debates By Combat. ... Bull-Fighting Horses To Wear Armor of Old Tires.

No Nudity on Stage, Police Tell Acting Mayor of New York. ... Rayon Prices Rise as Trade Picks Up.

Bishop Manning Sees Many Morally Adrift. ... Too Many Courtships Aboard "Floating University," Governor Allen Reports.

Dr. Joseph Lundahl of Sweden Lauds American Mental Hygiene. ... More Films Used for X-Rays Than for Portrait Photography.

"Obey" Is Dropped from New Prayer Book. ... 80 Per Cent of Women Still Wear Products of Corset and Brassiere Manufacturers Association, President Hines Says.

No Housing Crisis, Landlords Declare. ... Heir to \$4,000,000 in Pauper's Grave.

Orchestra Heads Name "Jazz Czar." ... Radio Bill Called Magna Charta of the Air.

Women's Feet Becoming Hoofs, Doctor Says. ... Harvard Students Buying Helmets.

Queen Marie Thinks Henry Ford Will Aid in Building New Roumanian Capital.

... Building Program Cut by U. S. Treasury.

Gillette Safety Razor Company Celebrates Silver Jubilee. ... Vanity Cases Used in 3000 B. C.

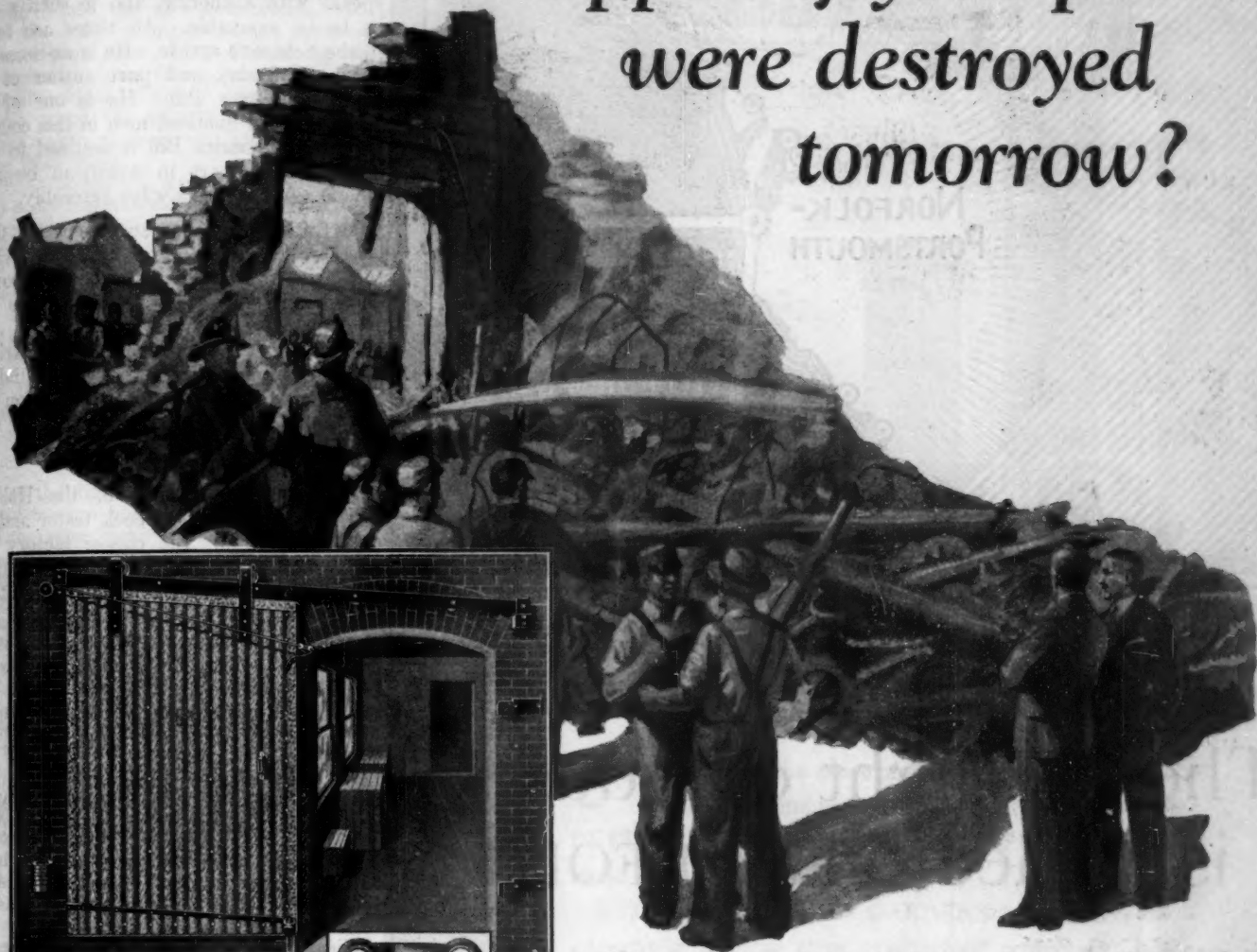
Ramsay MacDonald, British Labor Leader, to Visit United States Soon. ... Bill for Three Additional Light Cruisers Carries in House.

THE BORAH article, "The Cancer of Too Much Government," was widely reproduced and commented upon. It was evidently something that needed to be said and said vigorously judging from its reception.

Senator Hiram Bingham, of Connecticut, was so impressed by it that he rose in his place in the Senate and moved that the article be printed entire in our esteemed contemporary, the *Congressional Record*, saying the article brought forth in "remarkable manner one of the things most necessary to be considered by members of Congress and by the people of the United States."

IT MAY seem strange that Senator Carter Glass' name is not on the cover as a leading contributor this month and that his article is so far back in the magazine but it is another illustration of the perpetual conflict between 250,000 circulation and timeliness. When we did get Senator Glass' article on the McFadden Bill, most of the magazine was printed, including the cover. Yet we were so eager to put this information before our readers that we

What would happen if your plant were destroyed tomorrow?



Richards-Wilcox Fire Doors and Fire Door Hardware—to meet any requirement—are covered in a complete catalogue. Send for your copy.

R-W Fusible Links are furnished for different degrees of temperature to meet any requirement.

Insurance is not full protection

YOU carry insurance, of course. Every sane business man does. But if fire destroyed your plant, what would become of your organization, of your dissatisfied customers, of your trained employees, of the orders on your books?

No fire can pass automatic FyeR-Wall Doors. They are a sure and positive protection to any building. FyeR-Wall Doors are made of corrugated galvanized sheets with heavy asbestos between. The hardware and operating equipment is automatic and positive.

They do the work and are guaranteed for twenty-five years.

FyeR-Wall Automatic Doors cost no more than tin clad doors. They cost nothing for maintenance. They last as long as the building. And they save money. You get a 15 to 25% lower insurance rate on your buildings when they are equipped with FyeR-Wall Automatic Fire Doors. Both the doors and the hardware, after passing the highest laboratory tests, carry the label of the Underwriters Laboratories.

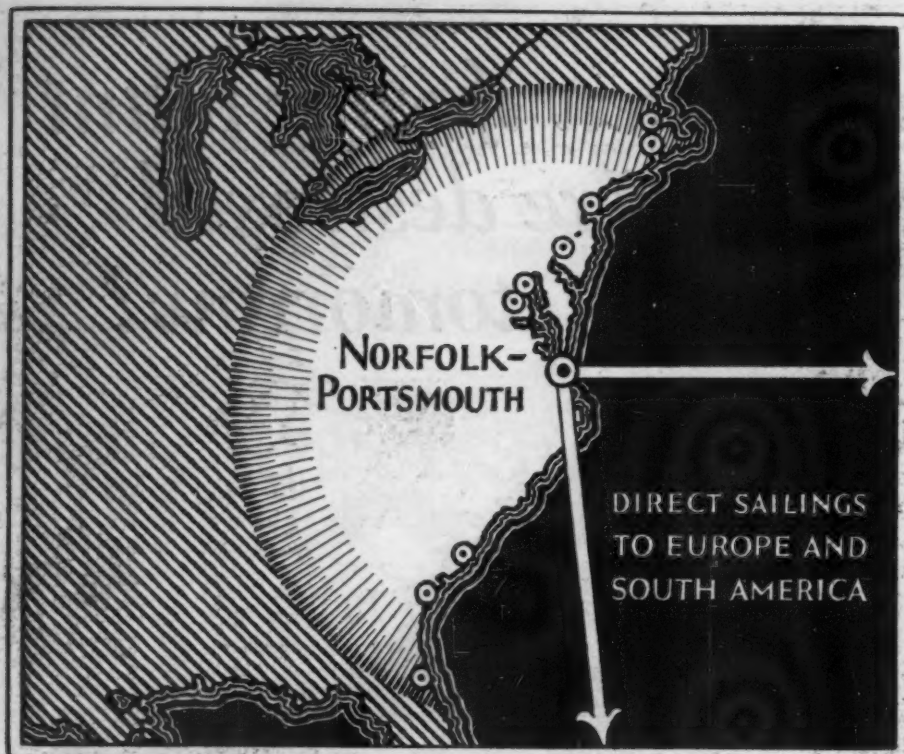
Richards-Wilcox Mfg. Co.

"A Hanger for any Door that Slides."

AURORA, ILLINOIS, U.S.A.

New York Boston Philadelphia Cleveland Cincinnati Indianapolis St. Louis New Orleans
Chicago Minneapolis Kansas City Los Angeles San Francisco Omaha Seattle Detroit
Montreal • RICHARDS-WILCOX CANADIAN CO., LTD., LONDON, ONT. • Winnipeg

When writing to RICHARDS-WILCOX MFG. Co. please mention *Nation's Business*



Unshaded area—comprising half the population of the United States—is reached by quick short hauls from Norfolk. Express

coastwise steamship service at freight rates—direct short routes to Europe and South America.

The spotlight of industry is turned on NORFOLK

WHAT are the most vital problems facing your industry? Distribution—labor—raw materials?

Norfolk-Portsmouth—the great industrial area of Tidewater Virginia—offers exceptional economies in all three.

Centrally located half way down the Atlantic Coast, Norfolk-Portsmouth is within a day's haul of half the population of the United States. Eight great railways radiate to every section of the country. By sea—ocean and coastwise vessels carry Norfolk's finished products everywhere by short direct routes.

Industries in this area have the advantage of a labor market of a large metropolitan center—contented—intelligent—capable. Over 95% of Norfolk's population is native born. This is in striking contrast to northern cities.

And Norfolk is located in the very heart of large supplies of raw materials—cotton—lumber—coal—steel—tobacco—by land. Sugar—molasses—rubber—iron ore—coffee—heavy chemicals—by sea.

Power is available in sufficiently large quantities to keep pace with any industrial expansion of the near future. Rates are unusually favorable. New \$5,000,000 power plant under construction—capacity 100,000 H.P.

* * *

Norfolk's abundant acreage provides excellent plant sites at moderate cost. Our Industrial Commission will be glad to assist you by preparing an economic and engineering analysis of the Norfolk-Portsmouth industrial area as related to your specific enterprises. All inquiries held in confidence. Address Norfolk-Portsmouth Industrial Commission, Dept. N-2, Chamber of Commerce, Norfolk, Va.

NORFOLK-PORTSMOUTH

Chamber of Commerce

When writing to NORFOLK-PORTSMOUTH CHAMBER OF COMMERCE please mention Nation's Business

took apart what was unprinted in order to insert the Glass article.

There are three things that NATION'S BUSINESS hopes to get into every article: a subject worth discussing, by one who speaks with authority, and in such a way as to be enjoyable. All three are found in the Senator's article. He is ex-Secretary of the Treasury and part author of the Federal Reserve Bill. He is one of the best informed financial men in this country and the McFadden Bill is destined to play an important part in American business. The Senator writes always agreeably.

THE important announcement that Government rum chasers had been christened with a champagne bottle brought varied and sundry comments from our readers.

John Le Feber, president of the Gridley Dairy Company of Milwaukee, reminds us that the Milk Association's suggestion was accepted to christen Milwaukee's new steel car ferry with a bottle of milk.

And why not?

Wisconsin is the land of the Holstein and Guernsey; the Babcock tester and the milking machine; the cheese factory and the butter churn. Its annual sales of dairy products amount to \$350,000,000. Nothing could be fitter, or a better augury of success for a new ship sailing out of Milwaukee, than a bottle of milk. (It is with considerable restraint that we resist the temptation to make an invidious comparison to the Milwaukee of other days.)

AN ANONYMOUS letter, postmarked New Haven, Connecticut, berates us, Washington, and the nation generally, thus:

The article in your January number, by P. A. Carmine, of London, reporting his observations on his recent visit here is certainly the bunk.

The American public is sick of being fed with this sop from Washington. Whoever told Carmine there was absolute equality in the United States was a fool for there is more snobbishness here than in Europe.

He speaks of our cordiality whilst our press prints articles from Washington whining about the expense of entertaining royal visitors. Though Europe is occasionally put to such expense it is not crude enough to mention it in its papers.

He speaks of our prosperity, yet 35 per cent of our male workers are unemployed. Government workers are the only prosperous ones.

He says banks here are subject to rigorous supervision. Maybe, but they very seldom get it, whereas in Europe they are kept up to the standard. Our banks are busting weekly.

Anyway, Mr. Carmine visited us and wrote what he saw. Now we print what our anonymous correspondent in New Haven thinks about what Mr. Carmine thinks.

And Mr. Carmine signed his name.

IN OUR February issue Frank Kent put a pointed question to our readers—"Is the Business Man a Boob in Politics?" A subscriber writes:

Mr. Kent writes truly. My state recently revised its constitution. There was agitation for a peculiarly inequitable and vicious tax provision aimed at business. A professional lobbyist or "fixer" claiming great in-

fluence w
vention t
law mul
\$40,000 a
the conve

The ta
not writ
was too
tion wo
any evid
final res
men who
well hav
into the

Mr. K
man to
tive in p
terest in
minded,
fice and

COME
of I
greatly
this colu
manufac
Daniel:

Perhap
ideas an
laid to t
tration i
in Spani

A succ
from the
time, he
ming hol
walk thr
the boys
wet cloth
beef"; th
the hole
board; th
boys "sl
tree-root
willows
whistles

He lo
swimmin
"business
the trip
the old
changed
their roc
and all,
lacking.

He g
played h

ABUS
in
tion tha

Ray
the Inv
this to s

To a
custodia
work in
oughnes
dians, c
degree,
lations
formulat
the busi

It is,
ment b
moveme
its and
expressi
out of
not star
curities

PRES
of I
into th

fluence with prospective members of the convention that was to revise the state's organic law mulcted a group of business men for \$40,000 as a fund to "influence" members of the convention against the provision.

The tax provision that excited alarm was not written into the new constitution. It was too raw. The members of the convention would have none of it. But so far as any evidence as to the fixer's influence in the final result of the affair is concerned, the men who raised the \$40,000 might just as well have taken their money and tossed it into the Ohio River.

Mr. Kent points the way for the business man to make his influence and counsel effective in public affairs is to take an active interest in those affairs and to encourage fair-minded, sane-thinking men to stand for office and then to support them.

COMES a letter from Walter M. Daniel, of Havana, Cuba, who says he was greatly amused by our recent comment in this column on Mr. Ford's suggestion to manufacture artificial milk. Says Mr. Daniel:

Perhaps the difficulty in criticizing modern ideas and modern business methods, is to be laid to the same cause which finds an illustration in the following *cuentecito*, as we say in Spanish:

A successful business man had been away from the old home for 20 years. During that time, he had often thought of the old swimming hole. Memory pictured the place; the walk through the field of stubble barefooted; the boys who gathered there; the tying of wet clothes to make the last kid out "chaw beef"; the roots of the trees which bordered the hole and which afforded a natural spring-board; the slimy banks made slippery by the boys "sliding in"; the mud-turtles under the tree-roots in the water and the cluster of willows on the opposite bank from which whistles were made.

He longed to get back to visit the old swimming hole. Many times he planned but "business" kept him away. Finally he made the trip and, alive with the prospect, visited the old swimming hole which remained unchanged; the field of stubble, the trees with their roots, the slimy banks, the mud-turtles, and all, were there. But something was lacking.

He got no satisfaction. Memory had played him a trick. The boy wasn't there!

A BUSINESS, distributing seven billion in securities yearly, seconds our notion that the best way is to regulate oneself.

Ray Morris, on retiring as president of the Investment Bankers' Association, had this to say:

To an extraordinary extent we are the custodians of this industry. If we do our work in a big way and with complete thoroughness, we are apt to remain the custodians. Otherwise we are apt, in an increasing degree, to be made subject to rules and regulations coming from outside our ranks and formulated by people who know less about the business than we do.

It is, therefore, to the credit of the investment bankers that, instead of opposing the movement, they applaud its underlying merits and honestly endeavor to see that it finds expression in laws which will put the crooks out of business and, at the same time, will not stand between distributors of sound securities and their customers.

PRESIDENT WALTER DILL SCOTT of Northwestern University has gone into the matter of man power and gives

Devoted to the nation's greatest business HOME-MAKING

Yearly growth of advertising money invested in BETTER HOMES and GARDENS.



RESULTS Make Advertising Grow

UNDERLYING the score of factors responsible for the tremendous advertising growth of BETTER HOMES and GARDENS, is this one basic reason—

BETTER HOMES and GARDENS has given advertisers a more than satisfactory return on their investment.

That is why so many manufacturers of products for home or family, and the merchants who sell their goods, have come to recognize BETTER HOMES and GARDENS as essential in a thorough job of advertising to the American Home.

BETTER HOMES and GARDENS

E. T. MEREDITH, Pub., Des Moines, Iowa

ADVERTISING OFFICES:
NEW YORK, PHILADELPHIA,
CHICAGO, MINNEAPOLIS,
KANSAS CITY, ST. LOUIS,
SAN FRANCISCO

Thousands of business men keep in touch with home development by reading BETTER HOMES and GARDENS each month.

E Pluribus Unum

By MERLE THORPE

NOW THAT the tumult and the shouting dies as the captains of Congress depart, still stands the ancient dictum, "the facts will set us free."

Facts are the least developed of our natural resources. It is so much easier to follow golden sophistries.

In the recent debates on farm relief, any suggestion from business was brushed aside by the steamy proponents of popular panaceas because "business is the enemy of the farmer, its interest is inspired by selfishness."

Particularly was so-called Big Business charged with plotting the ultimate ruin of agriculture.

There are farm leaders who pretend to see banks and corporations scheming how best to reduce the price of farm crops. It was from an Iowa Senator that we learned how a New York banker issued the laconic order after luncheon one day: "Deflate the farmer!"

What fiction for ten-year-olds! President Sloan, of General Motors, plotting to keep a farmer from buying a Chevrolet! Owen D. Young scheming to prevent farmers from buying General Electric appliances! Clarence Woolley apoplectic when he learns that the farmers, in spite of all Big Business can do, are buying more and more Arcolas!

And the great glee of insurance magnates as they recklessly deflate farm values, indifferent to the fact that they have nearly two billion dollars invested in those farm lands!

Isn't it deliciously absurd?

Dipping into facts, we find that the prosperity of business, big and little, is interwoven with the prosperity of the farm.

The business man knows this and he deplores, as all good citizens must, the attempt to set class against class.

Twin brother to this political cozenage is the rallying cry, "The industrial

east is endeavoring to dominate the agricultural west." A pat phrase. It resounds. It is the pibroch call to battle. It's a spark to the tinder of sectional animosity.

Again dipping into facts. In the so-called industrial east, states like New York, Pennsylvania, New Jersey, and North Carolina, produced, in 1923—a year of low prices—crops valued at \$1,051,313,000, exclusive of live-stock. The same year, states like Iowa, Minnesota, Missouri, Kansas, and Nebraska produced crops in the aggregate of \$1,730,309,000.

But these same "agricultural states" produced manufactures to the total of \$4,210,982,000!

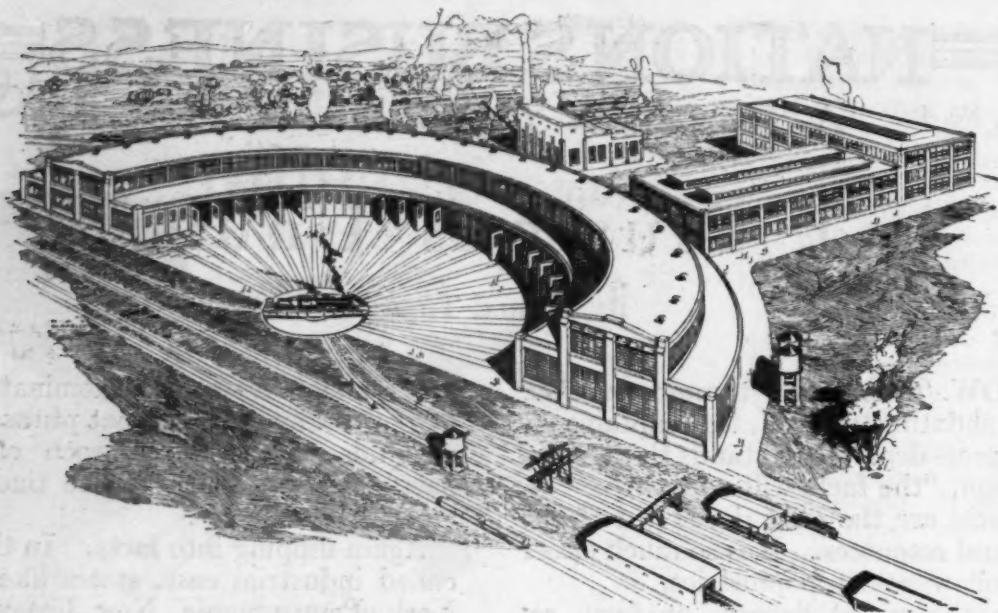
Fact is, great industries are growing up alongside agriculture. If a fight to the finish between farming and industry is what the demagogues desire, it could be staged in the farmers' back yard!

The east is not exclusively industrial, nor the west exclusively agricultural.

The appeal to sectionalism is sure-fire hokum. It has kept more dead issues alive in this country than any other flim-flam in the politician's big bag of tricks.

There is a farm problem made up of many different farm problems, with areas of distress shifting from crop to crop and from year to year. We must find solutions for them. But to fan the fires of class hatred and sectionalism is not the way to a solution. That way defeats solution. It is the way of him who desires, not a solution but continued power and office.

The naked truth is that agriculture and industry, and east and middle-west, are entirely dependent each upon the other. When one suffers, all suffer. By the same token, each shares in the prosperity of the other!



Austin Builds for the Railroads

GOOD railroad service demands adequate facilities in buildings—freight terminals, roundhouses, car shops, etc.

On several occasions when certain facilities have been required expeditiously, Austin has been called in and has completed the design, construction and equipment of the project in less time than the engineering alone would usually require.

Railroad executives sometimes find that the apparent cost of a desired project exceeds what they are prepared to spend. Austin has often suggested how substantial savings could be effected.

Whether it be an 8-stall brick-and-timber roundhouse, or a complete terminal with locomotive shops, Austin will give you real speed and economy.

Austin is now building for the Delaware & Hudson, the Nickel Plate and the Big Four. Besides these, recent railway clients include:

Chesapeake & Ohio	Kanawha & Michigan	Philadelphia & Reading
Cornwall Railroad	Long Island Railroad	Raritan River
Cumberland Valley	Los Angeles Railway	Texas & Pacific
Erie	Pennsylvania Railroad	Toledo & Ohio Central
Hocking Valley	Michigan Railway	Western Maryland
	New York Central	

Austin supplements, or builds under the direction of, your engineers. For costs and building data on railroad or other industrial construction anywhere, any size, wire, phone or write the nearest Austin Office, or mail the Memo below.

THE AUSTIN COMPANY, Engineers and Builders, Cleveland
 New York Cincinnati Chicago Detroit Pittsburgh Philadelphia St. Louis Seattle Portland Miami
 The Austin Company of Texas: Dallas The Austin Company of California: Los Angeles and San Francisco

AUSTIN

Complete Building Service

	Memo to THE AUSTIN COMPANY, Cleveland—	We are interested in a
project containing.....sq. ft. Send me a personal copy of	
	"The Austin Book of Buildings." Individual.....	
	Firm.....City.....	N. B. 4-27

When writing to THE AUSTIN COMPANY, please mention Nation's Business

CITIES enter the *New* Competition

by Merle Thorpe

SIDE by side with the warfare of industry with industry, of material with material, of coal with oil, of sheet steel with wood, of electric refrigeration with ice, there is going on in this country another great industrial conflict, the struggle of the cities for more industries, more residents and more visitors. That first phase of the new competition, I discussed in NATION'S BUSINESS last month in "The Business Revolution of 1927-37."

This strife of the cities is, if anything, keener than that of the industries. Across the country communities, big and little, towns of 20,000 and cities of a million, are moving Heaven and earth to win new industries. The motive in each case is the same, the hope of individual prosperity through group prosperity.

problem. Cities, eager to grow, decide that their future prosperity depends upon more factories. How get them? And, having once got them, how keep them?

Many have established industrial bureaus; some have traveling representatives. More than 100 cities are advertising their advantages, spending annually from \$10,000 to



Cities crave new factories. Factories bring pay-rolls and people. New pay-rolls swell the city's retail turn-over and new people add to the market for the agricultural products of the adjacent farms. But there are other factors. There's

the welfare of the worker and the industry and indeed the ultimate welfare of the community to be considered

If an industry finds new markets, if a material finds new uses, those who make and sell that material will profit. If a town welcomes ten new industries, its citizens will likewise profit.

The desire for growth is as natural in the cities as in the industries. No one can question the motive. It is the application—putting the motive to work that is the

\$300,000 each. The total city expenditure is estimated to be \$10,000,000 a year.

These moves, this spending of time and thought and money, are significant of changes that may affect our industrial and civic life for a long future. Some chambers of commerce are being radically reorganized; their purposes, policies and programs are shifted over-night; such emphasis is

put upon factory acquisition that other activities are almost forgotten. In some cities this has gone so far as to become almost an obsession—in others, not all. There are a few cities which have adopted the old stock market rule of "sell when the crowd is buying, and buy when the crowd is selling."

One city feels that it needs no more industries, its present job being to provide for the needs of those it now has so that

they may live through the lean years as well as the fat ones; another has concluded that what it needs is not more industries but a better arrangement or grouping of industries; still a third has decided that its present established reputation is a more valuable asset than new pay-rolls which might change the character of the city.

But these are exceptions. The great majority of our cities crave new factories. There are many reasons for this craving and each reason, considered in the abstract, is easily defended. The defect in them is that they fail to take account of the national situation; they are intensely local.

Desire Self-Sufficiency

ONE IS a desire to make the community self-sufficient—to manufacture the things needed by the community. Added payrolls and added city population will consume more of the farm produce of the surrounding territory and will in turn supply the farmers as well as fellow citizens with what they need. Incidentally the transportation factor in price will be cut down and, theoretically, the cost to the consumer diminished.

Another reason is to provide a market for existing business. The city may be overbuilt, new pay-rolls will provide occupants for vacant dwellings and offices. The retail merchants may have a conscious desire for more patrons; new pay-rolls, they believe, will bring them.

These definite desires on the part of special groups in the community fit into, become a part of the general, human desire for growth and progress, which in America has been interpreted as increased size. Decade by decade our cities have measured themselves and each other in terms of greater population. The question is whether growth is to be measured only in physical terms. A man's growth is not measured by inches; that applies to boys.

But growth we must have if we are not to begin dying, so there is reason for the keen rivalry of city with city. Cities, like men, grow because of what they do, not what they have. Natural advantages are helpful, but more important is the spirit of the people. Pyramid City beats Center City in spite of natural handicaps if its people are more alive and alert.

Telling the World

BY TODAY'S standards, success is measured in terms of population. Population may be secured *en bloc* by securing industries and industries may be secured by advertising. So Center City, seeing its rival's advertisements, and noting its rival's growth, decides that it, too, must "tell the world."

Enthusiasm in city building is good for the soul of the city. But this enthusiasm must be directed along the right course, must be skillfully applied, if it is not to result in waste and disillusion. Many thousands of dollars are being wasted, high hopes shattered, energy frittered away, because of wrong direction, poor execution.

I think no less than 50 requests have come to NATION'S BUSINESS during the past year for advice on community-building.

A group of twenty leaders in a city of half a million population invited me to meet with them. I did so. They started out something like this: "We need to ad-

vertise our city. Other cities are doing it successfully. We cannot afford to lag behind. This group is ready to underwrite a fund of \$100,000 a year for 5 years, to be spent in industrial development of this city. Won't you tell us how to start and what to do?"

I mention this because it is typical.

Three letters are before me as I write. One is from a south-central state and informs me that its state legislature doubtless will appropriate \$150,000 a year to advertise the state and requests "information as to what has been done, and how, by other states." One from a city in Texas which is planning to spend \$75,000; the other from a small city in Ohio which has \$30,000 to "bring more people to our city."

A visitor from Maine charged with the expenditure of funds of three organizations asked how best to spend that money to bring more tourists to Maine.

Recently I was the guest of 105 manufacturers in a city on the Pacific coast. The remarkable thing was these manufacturers had been brought to the city in the past 12 months by community advertising.

"Follow Up" Is Vital

ON THE same trip, I visited another city and saw hundreds of replies to advertisements which could not be answered because of lack of funds. All the money appropriated for community development had been spent and there was nothing left for selling follow-up. From the experience of many cities I have gathered certain facts. Here are some of the things to be considered, if your city is striking out for industrial development.

First, the owner of the factory has something to say about it. He will want to know whether he can operate more profitably in your city than at a competing point. He is interested in economies of location, raw materials, labor, markets.

And this isn't as simple as it sounds.

One city made an industrial survey and found that its people consumed one million cakes of soap in a given period.

"Fine! Just the place for a soap factory. We have the raw materials; we have the labor; we have the market." But there is something this city didn't figure on and that is that people have preferences. It is one thing to make soap for them and another to get them to buy your soap in competition with soap which is made 500 miles away. That is what happened in this case. Old-established, trade-marked brands demonstrated their holding power.

Second, as a conservative manufacturer friend reminds us: "Don't overlook our national industrial plant which must be taken into account and protected."

Before starting a new industry which adds new equipment to our national plant, a city should ask itself: What are the present production facilities of the nation as a whole in this industry? How much more are they able to supply than the country can reasonably consume?

Such an inquiry may bring to light some surprising facts.

For example, there are 5,000 flour mills in this country and 200 of them are sufficient to supply consumption needs. When times are prosperous, all may pull through. Comes a depression and it is then that

Dun's and Bradstreet's get out their adding machines to give us the monthly total of business failures. Competitive factors cause a certain number of prosperous concerns annually to seek more strategic locations for branches and occasionally for the main plant.

Other competitive factors such as substitute articles or changes in consumer demand, have started some industries on the down-grade, and have made their products obsolete. In moving a factory from one community to another, a city should make sure that the newcomer is not a unit in an industry that is on the skids.

How Do Cities Grow?

I RECENTLY discussed the problems involved with a man who has been in the forefront of a highly successful community campaign. Among other things, he said, "There is a commonly accepted notion that population follows the factory. Sometimes, perhaps. But it would be more accurate to say that the factory follows population. Our city is building population. The factories will come. Tell your readers that the population foundation is a mighty good foundation for a factory."

Other thoughts crowd in at this point.

Just what is the source of industrial growth? Does a city grow from within or from without? Make a check of your own city—how many of your present substantial industries grew up in the community? How many were moved in from outside? In the city and county of Gastonia, North Carolina, with 101 textile mills, all had their beginnings in the community and all except one, I understand, were financed by local capital subscription.

So far so good. History always repays study. But ever so often conditions change and the old rule ceases to work. Suppose Gastonia built up its home industries during a period when the local market was easily able to absorb its products and suppose your city is in a territory already fully exploited. Adding to your local plant may be a hazardous proposition.

"True," says a chamber of commerce executive, "but it's the alert city that gets the early worm."

A Tale of Two Cities

TAKE two cities—economic advantages equal—one asleep, the other alive. Which gets the business?

I have in mind two coast cities. One has a mud-flat; the other a beautiful natural harbor. As the result of enterprise, the first city is building an industrial district and a harbor out of its mud-flat. The other city is doing nothing—and nothing is doing. Successful cities can be built just as successful enterprises have been built.

Imagination—zeal—resourcefulness—energy! A city, after all, is only a composite business enterprise.

Go back to the meeting of the twenty men who had a fund of \$100,000 to spend. What happened?

A simple formula was laid out. It was a leaf taken from any business executive's book of experience:

What have we to sell?

Where can we sell it?

Can we reach the market profitably? In other words, how can we sell it?

There the city was four was done, selling a Cadillac Even surprising conceive "smoke-seat to city will place in factory-perhaps, country,

A PRO sem power st fuel; the means of the amov from loc electric water p sembla quality labor, an It wil balanced ployment skilled a working lawful li also, tha good livi It wil resources deposits: It wil portation freight and wat bearing and indu laws; ts tributing area; th available people t It wil munity's must exp

THESE industr profitable munity, on chea industrie transpor Now c of all: I can it be A lea pain te market man of t

There were some hazy ideas as to what the city had to sell but, on discussion, it was found desirable to make a survey. This had been done before. There are many such surveys reposing in Globe-Wernicke files. Realizing this, it was decided to spend \$10,000 to apply a basic survey to this particular city in finding out what it had to sell; where the market is; how the market can be reached and at what cost. Before any promotion or selling is done, a plan will be evolved, just as a selling and advertising plan is evolved by Cadillac or Celotex.

Even before the survey started, some surprising results were found and preconceived notions were exploded. Heavy, "smoke-stack" industries took a back seat to white-collar industries, and the city will doubtless sell itself as an ideal place in which to live rather than as a factory-site, because it has more to offer, perhaps, than any other place in the country, as a residence location.

Assembling Facts

A PROPER preliminary study will assemble facts as to the community's power supply; the quality and cost of fuel; the extent of the fuel supply; the means of bringing fuel from its sources; the amount and cost of power to be had from local and central stations, or from electric transmission lines; undeveloped water power and resources. It will assemble facts as to labor conditions; quality and cost of labor; supply of labor, and the like.

It will keep in mind that "a well-balanced labor situation involves employment for both male and female, skilled and unskilled elements of the working class, within reasonable and lawful limits." It will keep in mind, also, that "good labor conditions involve good living conditions for workers."

It will assemble facts as to natural resources; grade and quantity of mineral deposits; stands of timber.

It will assemble facts as to transportation facilities; freight rates and freight service of railroads, highways and waterways. It will assemble facts bearing on the community's economic and industrial conditions such as labor laws; taxation; advantages as a distributing center; a wholesale market area; the existing industrial development; available factory sites, attitude of local people toward new industries.

It will assemble facts as to the community's social and civic facilities; these must expand as population grows.

Pointing Out Possibilities

THESE facts will show the kind of industry which can be carried on most profitably to the owner and to the community, whether industries which depend on cheap power and unskilled labor or industries depending on skilled labor and transportation.

Now comes the most important question of all: Is there a market, and if so how can it be reached?

A leader in a successful industrial campaign tells me that the greatest source of market information lies in the business man of the community itself. His city first

aroused its own people to the need of industrial expansion and then furnished its people, through booklets, pamphlets, and daily newspapers, information about the city. "Leads" began to come in from the business men themselves.

A more dramatic method of getting in touch with industrial prospects—and there is no reason why the two should not be combined—is the community advertising campaign. I say "combined with the foregoing" because, in many instances, the advertising campaign has done its greatest good in arousing and informing the members of the community themselves.

HERE ARE some examples of the activity of various communities in financing advertising and promotional campaigns. The funds are obtained generally by private subscription although in some cases a public tax is levied for the purpose.

CITY	AMOUNT	PERIOD
Atlanta, Ga.....	\$1,000,000	for 3 years
Asheville, N. C.....	100,000	per year
Biloxi, Miss.....	10,000	continuing
Brunswick, Ga.....	25,000	continuing
Chattanooga, Tenn..	250,000	for 5 years
Corpus Christi, Tex..	5,000	for 1925
	15,000	for 1926
Dallas, Tex.....	40,000	per year
Detroit, Mich.....	45,000	continuing
Greensboro, N. C....	30,000	for 1925-6
Norfolk-Portsmouth..	250,000	for 3 years
Orlando, Fla.....	62,000	for 1925
	186,000	for 1926
Portland, Ore.....	300,000	continuing
Redondo Beach, Calif..	11,323	annual tax
St. Louis, Mo.....	75,000	for 1926
Seattle, Wash.....	75,000	per year
San Francisco.....	140,000	annual tax
Savannah, Ga.....	50,000	per year
Spartanburg, S. C....	26,800	continuing
San Antonio, Tex....	50,000	continuing
Salt Lake City, Utah..	50,000	for 1926
Stockton, Calif.....	11,955	annual tax
Tampa, Fla.....	80,000	for 1926
Wilmington, N. C....	25,000	for 1 year
Los Angeles vicinity..	1,000,000	since 1921
STATES		
Californians, Inc.....	400,000	for 1926
California (county total).....	1,264,065.58	tax
Maine.....	52,000	for 1 year
New Hampshire.....	100,000	for 2 years

While the main purpose of advertising is to seek out industrial prospects, yet there is another value, not so tangible but nevertheless a real value, in the creation of an industrial atmosphere.

Much money has been wasted in community industrial advertising campaigns because of no provision for adequate follow-up. No worth-while business will locate its branch plant or re-locate its main establishment on the basis of a page of advertising. That copy will only stir the interest and cause a desire for more information, technical and detailed. If the city has no competently staffed industrial bureau to assist in following up the advertising, there is inevitably great waste.

Industrial advertising campaigns now being carried on by Erie, Norfolk-Portsmouth, Wilmington, Lakeland, Los Angeles, Oakland, Charleston, Tacoma, Portland, San Francisco, for example, are backed up with

facilities for giving the individual prospect a confidential, authoritative and technical report. If a community cannot afford to do both national advertising and form an industrial bureau for follow-up purposes, then it should not hesitate to provide, first, for a competent industrial bureau in its chamber of commerce.

After contact has been made with an industrial prospect, then comes a most troublesome problem. Will the move be for the benefit of the community and the advantage of the industry itself?

It takes courage to act as did a Pennsylvania chamber of commerce recently. A city in the coal region had, in the past few years, acquired several successful silk mills. Recently, another silk mill considered a location there. The Chamber of Commerce investigated the local situation and found that the city's surplus female workers had been completely absorbed. There was no available labor for a new textile plant, although other factors were favorable. The Chamber's Board of Directors advised the prospect of the facts and the mill was not located in that city.

Financing Questions

A TROUBLESOME point comes when a city is called upon to assist in financing a new industrial enterprise.

Here the city is asked to go beyond furnishing information and service. It may practically be called upon to assure its local investing public of the financial success of the enterprise in question. This is a grave responsibility. It is exceedingly questionable whether any chamber of commerce should undertake it. I know of no experienced industrial bureau manager or chamber secretary who would recommend the endorsement of the stock of any industry, no matter how worthy of community support it seemed to be.

The temptation is great, especially when the competition is running strong with a neighboring city. Often such bonuses are granted in a disguised form, not infrequently to the ultimate regret of the community.

There are variations of community assistance and financing, however, which in a few cases seem to be successful.

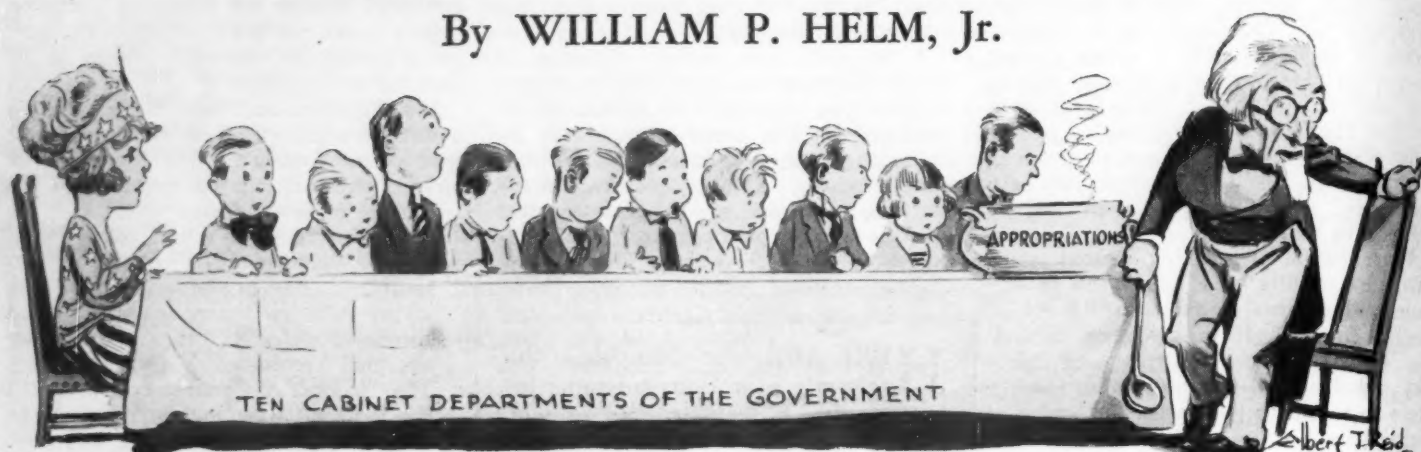
For over a decade the Industrial Corporation of Baltimore, the Louisville Industrial Foundation, and the Easton, Pennsylvania, Credit Fund have been in successful operation. There are orderly ways of assisting in financing industries which need more than bank credit and whose situation is such as to make undesirable or impossible the floating of a public stock or bond issue.

Even this orderly method of community financing of industries has registered more failures than successes. It seems difficult to combine community sentiment for new industries with a sound business appraisal of the future prospects of a given enterprise. Most communities prefer to leave industrial financing to banking houses and investors. But if a community is contemplating organizing an industrial finance corporation of this kind, it should carefully study the organization and method of those plans which have been successful and the

(Turn to page 92)

Who Gets Your New Tax Billions ?

By WILLIAM P. HELM, Jr.



HERE ARE two entries from the ledgers of the Federal Government in the Treasury Department at Washington:

1913—Civil and miscellaneous establishments, \$170,829,673.42.

1926—Civil and miscellaneous establishments, \$1,396,455,947.06.

The entries cover comparable spendings of the Government for the last pre-war year and the latest post-war year. They embrace the spendings of the government departments, Congress, the courts, the White House and the independent boards, bureaus and commissions.

They include only peace-time routine. They do not include moneys spent in either year for: The Army and Navy, Pensions, Interest on the public debt, Public debt retirement, Panama Canal, Indian affairs.

The entries show that:

Routine expenditures in 1913 were about \$500,000 a day.

Routine expenditures in 1926 were nearly \$4,000,000 a day.

In 1913 there were 97,028,497 people in the United States.

In 1926 there were 117,135,817.

On that basis, had these expenditures been apportioned, share and share alike, they would have cost each and every man, woman and child in the country \$1.76 in 1913. In 1926, these expenditures represent a cost to each person of \$11.92. While the population was increasing 20,107,320, expenditures at Washington increased \$1,225,626,273.64, or, to put it another way, while population increased 20.7 per cent, expenditures went up 717.4 per cent. Expenditures, in other words, increase out of all proportion to the increase in the number of people to pay them.

Why the increase? What do we get for that additional three and a half million a day?

The answers to these and related questions will be presented in a series of articles of which this is the first.

Leaving the regular departments of the executive government for later consideration, let us first consider the situation presented by the independent boards, bureaus, and commissions.

I—The Independent Bureaus

AT THE OUTSET it should be made clear that these articles are not intended as an attack on the present governmental layout. Possibly it is the layout the nation wants. Possibly not. That is a subject of individual opinion.

But opinions are opinions and facts are facts. The former can be argued away; the latter cannot. The record has been written, and it stands. Opinions change not a single cipher in the list of spendings that clutter up the Treasury ledgers. It is to those ledgers that the writer of these articles has turned for the facts.

In other words, Mr. Man-who-pays-the-bills, this is a story of what your money was getting you in 1913, again in 1920, and finally in 1926. Through your duly chosen representatives in Congress you have ordered a 1926 model government. Here is what you've got and the cost thereof. Here, too, is a picture of your 1913 model and its cost. To make the transition less abrupt there is shown, as well, the 1920 model, that year being abnormal because of the post-war readjustment.

On June 30, 1913, that date marking the close of the fiscal year, there were six first-

class independent federal bureaus in existence at Washington. They were:

- The Interstate Commerce Commission.
- The Civil Service Commission.
- The Smithsonian Institution.
- The National Museum.
- The Perry's Victory Memorial Commission.
- The Commission of Fine Arts.

In addition, there were a few scattering little commissions and bureaus. All told, those little bodies spent less than \$165,000 during the year. The other six spent about \$2,700,000 combined. The government bureau, operating as an independent unit, thus called upon the Treasury for somewhat less than \$3,000,000 to sustain it, in its entirety, for the year.

Such was the situation back in the smiling, carefree days before the war when the world wagged wickedly and happily along its pleasant way.

When War Was Far Off

AT THAT time, as many will recall, a World War was not visible on the horizon. Few thought of such a thing, except in terms of vague possibility. But many were thinking about increasing the number of the bureaus of the central government.

The idea that our present accumulation of federal bureaucracy is almost entirely the aftermath of war is fairly firmly fixed today in the public mind. It is true, runs the popular thought, that we've got a lot of government bureaus down at Washington today, but we've been through the World War. *C'est la guerre*.

The actual record, however, jolts this popular idea. Some of the new bureaus, in fact a considerable proportion of the whole, undoubtedly can be traced directly to the war. But long before this country entered the conflict, bureaucracy was swelling toward flower at Washington.

The World War didn't spawn all the additional federal bureaus. They sprang in many instances from causes remote from the war. Thus while June 30, 1913, there were six independent bureaus on the federal payroll, on April 1, 1917, just before the United States entered the war there were sixteen. Within less than four years, the number had more than doubled. The in-



crease had occurred during a period when the United States was at peace with the world.

The ten additional bureaus accumulated during that period were:

- The Federal Trade Commission.
- The Federal Reserve Board.
- The United States Tariff Commission.
- The United States Shipping Board.
- The Council of National Defense.
- The United States Employees' Compensation Commission.
- The Federal Board for Vocational Education.
- The National Advisory Committee for Aeronautics.
- The American Section of the Inter-American High Commission.
- The Meade Memorial Commission.

Obviously some of these bureaus, such as the Shipping Board, the Council of National Defense and the Advisory Committee for Aeronautics, struck their roots in the prospective conflict. Others did not. Regardless of origin, the increase from six to sixteen occurred during the period when America was at peace with the world.

When We Entered the War

WHEN America entered the war, she swiftly remodeled much of her government along new bureau lines. There came into existence new boards and agencies such as the Food and Fuel Administrations, the War Industries Board, the Committee on Public Information, the Railroad Administration, the War Finance Committee, the Liberty Loan organization and other purely war-time activities. A few of these agencies attained mammoth proportions and spent huge sums in the common objective.

Some of them passed out of the picture soon after the armistice. They were vitalized only for the war emergency and, having lived their lives, were given a decent burial. Along with her armies, America demobilized some of her war-time boards and bureaus. Some, but not all.

During the big year of post-war readjustment—the twelve months beginning July 1, 1919—one consequently would expect to find on the government pay-roll a maximum number of independent boards.

The treasury's ledgers do not disappoint. The number of government boards spending public funds that year ran to a new peace-time record of twenty-one, with spendings of more than \$1,700,000,000. Of that total, nearly \$1,000,000,000 flowed out from the Railroad Administration, and more than \$450,000,000 was spent by the Shipping Board.

New bureaus on the pay-roll included the Alien Property Custodian's office, the Housing Corporation, the Railroad Labor Board, and the Inter-

departmental Social Hygiene Board. Food and Fuel Administrations had virtually faded from the picture.

Treasury Records Not Clear

THOSE were the days of hurried appropriations and, as a result, the treasury records are not so explicit and clear as they were before or after the war period. During 1920, for instance, nearly \$450,000,000 was spent out of mixed funds voted the President and various executive activities. As it is almost impossible to separate these expenditures, an accurate presentation of the spendings of independent bureaus during that fiscal year would be difficult to obtain.

Since 1920 the readjustment process has been gradually bringing the country back to what Mr. Harding called normalcy. Government has been contracting rather than expanding. At least such has been the theory. One naturally expects, as a result, to find fewer names on the payroll.

With respect to individuals, this expectation is fulfilled.

Not so, however, with respect to that fine old form of bureaucracy, the independent board or commission.

As a matter of fact, there are more government boards and commissions drawing pay today from the federal treasury than ever before in the history of the country in peace-time.

After five years of post-war readjustment, one finds not twenty-one such boards but twenty-eight.

Here they are, with the amount of money spent during the past fiscal year of 1926, by each of them:

Alien Property Custodian.....	\$165,633
Alaska Relief.....	23,211
Battle Monuments Commission...	48,438
Arlington Bridge Commission.....	481,360
Board of Tax Appeals.....	431,000
Bureau of Efficiency.....	151,373
Civil Service Commission.....	976,133
Commission of Fine Arts.....	7,700
Employees' Compensation.....	2,475,912
Board for Vocational Education..	7,399,017
Federal Oil Conservation Board..	5,000
Federal Power Commission.....	37,901
Federal Reserve Board.....	2,010,910
Federal Trade Commission.....	984,225
General Accounting Office.....	3,630,655
Housing Corporation.....	563,730

Interstate Commerce Commission..	\$6,979,119
Committee for Aeronautics.....	561,126
Perry's Victory Commission.....	49,185
Railroad Administration.....	3,349,475
Railroad Labor Board.....	272,427
Smithsonian Institution.....	294,101
National Museum.....	538,784
Washington Buildings and Parks..	2,486,818
U. S. Coal Commission.....	5
U. S. Shipping Board.....	23,947,694
U. S. Tariff Commission.....	602,219
U. S. Veterans' Bureau.....	536,201,307
Miscellaneous small boards.....	899,164

Total\$595,573,633

Twenty-eight boards spent more than \$595,000,000 last year. Two of those agencies dwarfing all others—the Veterans' Bureau and the Shipping Board, both the result of the war—spent \$560,000,000 of the total.

That leaves \$35,000,000 spent by the remaining twenty-six, or more than twelve times the amount in 1913.

Such spendings, of course, are only a part of the total of all expenditures of the Government.

They do not include the spendings in the ten executive departments, each with a roster of bureaus of its own. Those will be considered in subsequent articles. Nor do the figures include the spendings of the White House, the legislative establishment and its little cluster of separate government activities, or the federal courts.

What the Records Show

IN OTHER words, the figures disclose only the sums spent by independent or free-lance bureaus, attached to no department and responsible directly to the President, to Congress, or to both.

Some of the names on the roll of federal bureaus doubtless are familiar to only a few persons, but the entire twenty-eight have been placed there theoretically at the command of the sovereign people, as that command has been interpreted by those who deliberate beneath the dome of the Capitol.

In other words, there is your 1926 model government, just as you ordered it, so far as independent federal bureaus are concerned.

What do all those bureaus do?

How do they keep busy?

What were they supposed to do when they were created and what are they doing now?

Fair enough questions, these, though the answers are known, in their entirety, to only a few. Let us look down the list and consider briefly the duties of a few of them whose functions are not commonly understood.

The Alien Property Custodian's work is pretty generally understood as the aftermath of the action taken during the war to impound the property of enemy aliens. The demobilization of this work is slow. However, it is decreasing.

The sum total of these spendings in 1920 exceeded \$800,000, nearly five times the spendings of 1926.

Alaska relief funds, like the babbling brook, apparently are to run on forever. These moneys go to the indigent in America's last continental territory.

The American Battle Monuments Com-

mission, created in March, 1923, has been directed to erect suitable memorials in Europe to commemorate the activities of the American forces there. Last year's appropriation of \$800,000 was hardly touched. There was an unexpended balance of nearly \$1,300,000 on hand at the close of the past fiscal year.

The Arlington Memorial Bridge Commission began to function early in the fiscal year 1914. It is to spend \$14,750,000 on a bridge spanning the Potomac between the Lincoln Memorial and the Virginia shore near Arlington.

Personnel is the main study of the Bureau of Efficiency. This organization also is directed to work toward bringing about the elimination of duplication in statistical and other federal work as well. Briefly, the idea behind it was to create a federal efficiency expert. Last year it employed forty-five persons; next year, according to budget estimates, it expects to employ seventy persons.

Back of the Commission of Fine Arts, established in 1910 and but a nominal drain on the Treasury, is the idea of centralizing supervision over all public buildings, statues, etc., in Washington with a view to harmonizing the plans for making the national capital more beautiful as it grows.

The United States Employees' Compensation Commission, created in September, 1916, looks to the welfare of civilian federal employees injured or disabled in the performance of their duties and compensates them, according to a fixed schedule, during their periods of disability.

The Federal Board for Vocational Education was created in February, 1917. It administers federal aid, now at its post-war peak of nearly \$7,500,000 a year, to the various states which match the federal dollars they receive, for the purpose of stimulating education in agriculture and the various trades and industries. During the war it was charged with vocational reha-

bilitation of disabled veterans. In 1920 Congress added civilians (not necessarily veterans) to the list of disabled persons for whose vocational rehabilitation the funds were available, the work, however, being done in cooperation with the states.

In the fiscal year ending June 30, 1920, this board spent nearly \$35,000,000. At the present time it is spending but little more than the federal aid fund voted by Congress for distribution among the states.

The Federal Oil Conservation Board, created by the President for the purpose of making a conservation survey with respect to oil, is composed of federal officials who receive no extra compensation for their board duties. The board spent but \$5,000 last year and has an unexpended balance of about \$45,000.

One-Man Bureau

SOMEWHAT similarly organized (in 1920), the Federal Power Commission has administrative control over power sites on navigable waters. It has but one employe, a chief engineer at \$6,500, and its expenditures are composed largely of travel items, printing, and publication of notices.

Expenses of the Federal Reserve Board were nearly \$600,000 lower in 1926 than in 1920, a year of extreme activity.

The Federal Trade Commission created by Congress in September, 1914, spends somewhat less than \$1,000,000 a year. Its activities are generally well known to business men, and its spendings show little fluctuation from year to year.

In the General Accounting Office, is vested the duty of seeing that every cent of public spendings is expended in accordance with the law. Formerly this work was decentralized, in part, among solicitors assigned to the various departments. It is a growing office whose rulings have not always been pleasant to some of the other federal agencies. In order that the head of this office, the Controller General, may be

entirely free from executive influence, he has been made responsible only to Congress. The Act creating the office (which also created the Bureau of the Budget) was passed in June, 1921.

The United States Housing Corporation is a war-time holdover. It built and operated government hotels at Washington—and conducted minor operations elsewhere—to provide quarters for the host of feminine war workers required at the national capital.

It still sells board and lodging to girls in the federal employ at Washington.

Most of the other listed boards and commissions are fairly well known.

Under the heading "miscellaneous" are found, in the treasury records of 1926 spendings, the following minor or temporary independent boards:

Aircraft board	\$11,963
Public Buildings Commission.....	32,500
Commission for the Celebration of the Two Hundredth Anniversary of the birth of George Washington.....	5,000
Sesquicentennial Commission.....	771,138
Ericsson Memorial Commission.....	3,500
Lincoln Memorial Commission.....	3,600
Geographic Board.....	765

And there you are. Under the constitution, as any schoolboy knows, the government is wholly the creature of your own making. Congress, of course, is but a rubber stamp to sign your name.

How do you like your creation? Is it justified? Would you change it? If so, how would you go about it?

Is it the best possible layout for the money spent and the services rendered?

Those are questions that are up to you, Mr. Man-who-pays-the-bills. To paraphrase a line from an old song, "You made it what it is today; I hope you're satisfied."

EDITOR'S NOTE.—In an early issue Mr. Helm will discuss the Rising Cost of Running the Federal Treasury.

The Investment Banker on Guard

By PLINY JEWELL

President, Investment Bankers' Association
of America

Cartoon by D. R. Fitzpatrick

"WHAT STEPS are being taken by the Investment Bankers Association to drive the untrustworthy out of the investment business and to educate the public?"

Before attempting to answer, it may be well briefly to recall recent investment banking history in the United States, for a clearer perception of the problems involved.

In 1926, the investment dealers of the country were called upon to distribute over \$7,390,000,000 of new securities. This is at the rate of over \$24,500,000 a day for the working days of the year. It excludes securities previously outstanding which are constantly being bought and sold, the amount of which cannot even be estimated, but which undoubtedly runs into additional billions. This great volume is distributed through direct sales effort, as it is not the practice of the New York Stock Exchange to list securities until they have been actually distributed. It is probably not an exaggeration to state that the volume of security turnover, leaving out stock exchange

transactions, has trebled in a dozen years. Further, the number of security buyers in the United States has increased, according to estimates, from perhaps 300,000 previous to the war to 15,000,000.

Some of this great increase in the number of investors is due not only to the efforts of the investment houses but to the extraordinarily successful customer-owner-ship campaigns of the utility companies.

Brings Production Problems

WITHOUT further enlarging on this change, it should be realized that it brought problems which manufacturers refer to as incident to "mass production."

The effect of this large volume of sales is to give the investment business many of the aspects of merchandising as distinct

from those of a profession. The larger and older houses have continued to maintain the professional status. They have kept up their own well-organized buying departments with field staffs and offer their securities based on first-hand information. It is obviously impossible for the many smaller houses, which take part in the active distribution of these same securities, to maintain such departments; nor is it really necessary so long as the originating houses adhere to their standards.

It is not to be expected that banking houses can establish records of perfection over a long period of years. Entirely apart from the effect of world disasters, changes in the arts cannot be foreseen. Some of the interurban railroads, economically sound in their beginnings, are now becoming obsolete because of the automobile and hard roads. Nevertheless, it is a safe prediction that the percentage of securities, of those sponsored by the Investment Bankers Association of America, which will justify themselves will prove unusually

high; for the members realize that the most precious asset of an investment house is its good name, and a good name can only be acquired through years of tested investment advice.

The investment banker is not permitted many mistakes. The manufacturer or merchant under modern practice replaces imperfect goods. It is beyond the power of the investment banker to do this should he have the misfortune to be responsible for any considerable amount of securities which do not prove out. Therefore, he must use extreme care before approving securities; otherwise his good-will vanishes into thin air.

Helping

HOWEVER, there are innumerable instances of investment bankers assuming great burdens and risking large amounts of capital in support of corporations which for one cause or another have come into trouble. The collapse of 1921, in particular, was the occasion for heroic efforts on the part of bankers when the sharp decline in commodity prices left so many industrial concerns prostrate. In addition, many of the older houses have bought back depreciated securities in large amounts rather than see their customers suffer loss—this in spite of the fact that there is no recorded instance where a customer has returned to the investment house any profit accruing through the appreciation of securities. The progress of the country, and of the world, calls for a continual flow of capital into new enterprises.

Without the courage of the pioneers, backed by their money, the marvelous electrical industry would never have started; and yet, as sound and accepted as it is believed to be now, its beginnings saw many large losses. This is but an illustration, which may be applied to the early stages of the telephone, railroads, and manufacturing. So the Investment Bankers Asso-

ciation would be an obstacle to progress rather than otherwise if it insisted that its members offered for sale only the mortgage bonds of proved enterprises.

The "Blue Sky" laws of the various states do not prohibit the sale of securities of new companies. Nevertheless, it is within the power of most of the security

years. Studies have been carried on to a point where the Association has published, largely for the benefit of its members, a pamphlet dealing with all types of securities and setting forth the information that should be contained in the circulars of its members. Investment thought has so clarified that there is pretty general agreement as to what constitutes "adequate information."

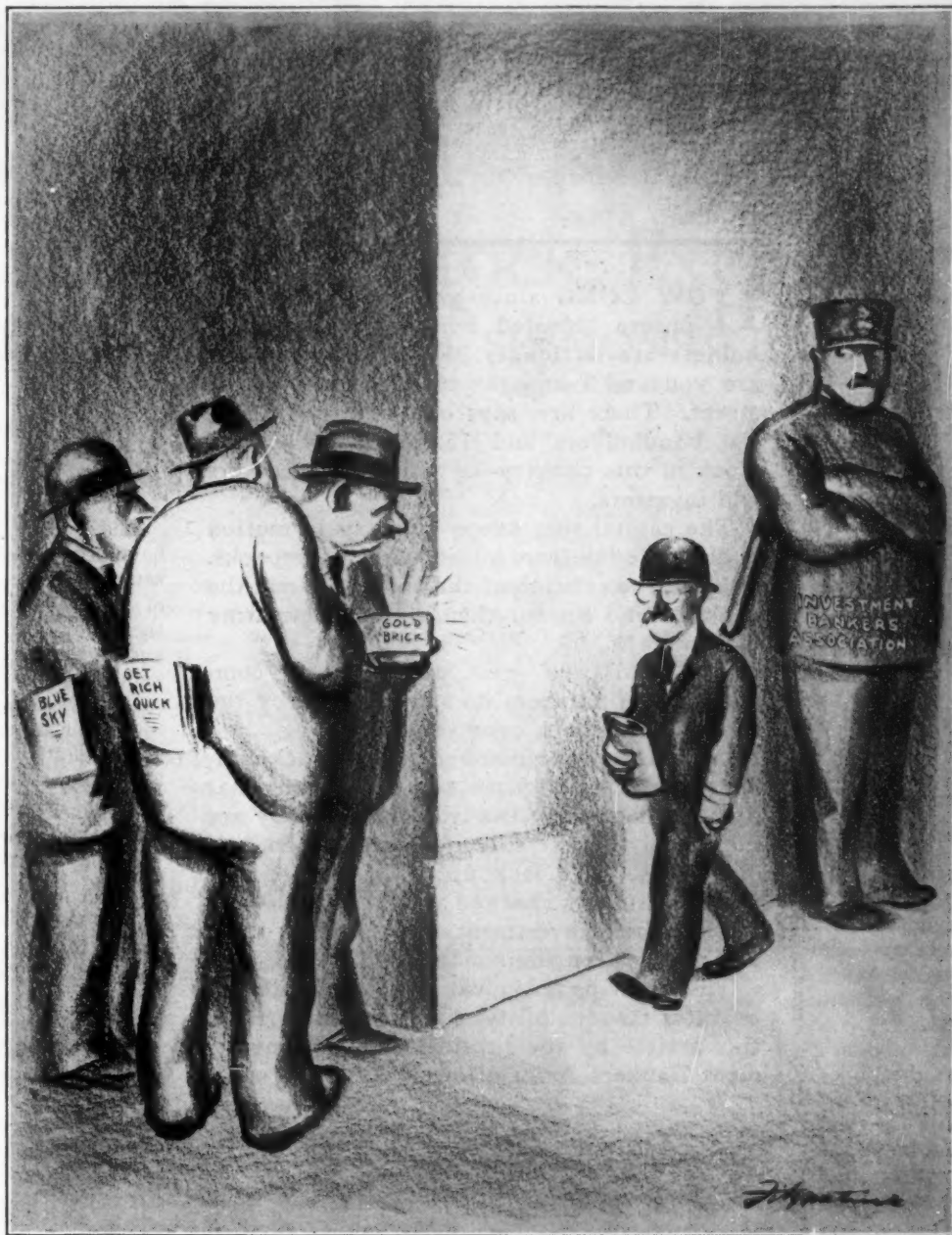
Principles

THERE are a great many cases where the literature of members cannot be expected to cover all the collateral information which the investor of statistical mind might like to have; but one of the principles laid down by the Association is that relevant information, if not contained in the circular, should be available through manuals and other statistical media. Not all of the corporations are full and frank in the information which they furnish to the public, though this refers to only a small percentage. Improvement in this direction has been marked in the last few years. Perhaps investment bankers have contributed something to the clarity and completeness of corporation reports.

The Association has now set machinery in motion within its own organization in an effort to see that its principles are lived up to. All members of the

Association send their circulars describing new securities to the secretary's office.

There they are cleared to the appropriate standing committees, such as the Railroad Securities Committee, Public Service Securities Committee, Industrial Securities Committee, Real Estate Securities and so on, where they are scrutinized for failure to conform to good practice. If they do not conform, they are referred to the Business Conduct Committee, which at once interrogates the house of issue. This sounds like rather elaborate machinery, and thus far it has hardly been worth the effort; for from May, 1926, when it became operative,



"What does the Investment Bankers' Association do to drive out untrustworthy investment business and to educate the public?"

commissioners to prohibit the sale of issues deemed to be unsound, whether of new, old, or reorganized companies. One state at least has a requirement in its securities law that the circulars used in connection with the sale of certain types of securities shall be stamped "Speculative," thus putting the investing public clearly on notice.

Fundamentally, the objectives of the various securities laws and of the Investment Bankers Association are the same—that the public should have "adequate information." These words are quoted because they appear in reports of various committees of the Association going back a number of

to December 31, 1926, there were only three or four instances in which it was necessary to communicate with issuing houses, and in only one was the criticism directed at a point of major importance. In other words, the members of the Association, as a whole, are clearly proving by performance that they propose to furnish the public information which, if properly analyzed, enables the investor to reach a sound conclusion.

One thing can never be accomplished, even through the united efforts of securities commissions, the press, Better Business Bureaus, and all other agencies; that is, the elimination of credulity and cupidity from human nature. There will always be a fraction of the investing public ready to believe statements of glib plausibility. The same man who will jeopardize his life by walking into a darkened room in search of an imagined burglar, who might, at most, take a few things of paltry value, will the next day part with his hard-earned savings on the representations of an unknown salesman, not carrying the credentials of a reputable investment firm.

Foreign Credit Facts

IN THE field of foreign securities in particular, the Investment Bankers Association made another important step forward last year when, under the auspices of New York University, the Institute of International Finance was organized. As the name implies, it has to do only with foreign credits but for a nominal fee puts at the disposal of every one who cares to join the latest information from authentic sources on foreign credits. New York University furnishes the staff and the quarters, and the Investment Bankers Association underwrites a considerable part of the expense. This provides unprejudiced information derived from authoritative sources and is available to the general public as well as to institutions, banks and bankers.

In another field the Association itself, entirely apart from the work of the individual houses, is carrying on a most important work in the education of the investor on investment fundamentals. Three years ago the Association established an educational department. With the splendid cooperation of the press of the country there is going out to the public, day by day and week by week, articles designed to increase the public knowledge of investment principles.

There is never a word about particular issues of securities, merely a year-after-year campaign of education. It is one of our most important activities. If a large proportion of the great numbers of investors in this country can learn to select securities with some discrimination, their financial power is almost limitless. There is no hypocrisy about the Association's aims in this particular, however much good comes to the community through the effect of this educational policy. It is, of course, to be expected that the result of such education would bring a high percentage of the investors to transact their business with

dealers of repute and would thus react to the benefit of the members of the Investment Bankers Association.

This brings up logically the matter of cooperation with the Better Business Bureaus. It is only incidentally the business of the Investment Bankers Association to be concerned with the activities of the unscrupulous; that is equally the concern of all good citizens. The governments, federal and state, are presumed to have effective organizations for fighting crookedness, whether in the sale of securities or other commodities. It seems to be a fact, however, that these authorities function better with the cooperation of what are strictly private activities. The Better Business Bu-

HOW LONG since you have heard the phrase "bloated bondholder?" Bondholders are no longer bloated; bondholders are you and I and the man we pass in the street. There are, says one estimate, 5,000,000 bondholders and 15,000,000 owners of stock in this country—a vast army of savers and investors.

The capital that keeps industry in motion is drawn today from millions of pocketbooks. What is the relation of the borrowers and the bankers who act for them to this new army of lenders?

The head of a great public utility company which numbers its shareholders by the tens of thousands, once said:

"We feel as the number of our stockholders grows, that we have assumed a somewhat new point of view towards them. They are not merely partners, sharing our profits and our losses. We look upon ourselves somewhat as trustees charged with a duty of protecting their investment and assuring them a fair return on their money."

That perhaps is typical of a new feeling of business responsibility, a feeling set forth in this article by the president of the Investment Bankers Association of America.

—The Editor

reus now operating in most of the principal cities seem to be the answer as related to fraudulent securities and are undoubtedly doing a great amount of good in their continual emphasis of the principle, "Before You Invest—Investigate." The local groups of the Investment Bankers Association in many cases support the activities of these bureaus, and, in addition, large subscriptions are received from individual members. Furthermore, through the innumerable security salesmen, the Better Business Bureaus receive very promptly suspicious financial literature. This assists the bureaus and the enforcement officers to act without delay, as some of the shifty promoters flit about the country.

A word about the so-called "Archer County Texas Road District Case." Boiled down, it involved some \$70,000,000 of se-

curities issued by road districts of Texas, most of them outstanding and sold in good faith to the public. A decision of the Supreme Court of the United States invalidated them. It is known to most readers that the "district" type of financing—road, school, fire, irrigation—is a common plan. The Association at once took the lead in attempting a cure. With the assistance of the good people of Texas, through its legislature, validating legislation in regard to almost this total amount of bonds has been passed within the last few months. With the orderly progress of a few more legalities, the credits of these districts will have been reestablished.

About two years ago the public advertising of one of our members was criticized. It was in relation to an issue of bonds of a district which happened to be practically co-extensive with one of our good-sized cities. Typographically, the heading of the public advertising was set up approximately as follows:

Mosquito Extermination District
CITY & COUNTY OF UTOPIA
5% Gold Bonds

The point is that the reader would have been apt to interpret the promise to be that of the City and County of Utopia, whereas, in fact, it was the promise of the Mosquito Extermination District—even though the municipal entities were somewhat similar geographically. The credit of the larger municipalities is naturally better than that of the districts, and the effect in this instance, by subordinating in size of type the actual title of the bonds, was to lean unduly on the credit of the municipality which was not the promisor.

Even Advertising Watched

WHILE this may seem technical, nevertheless members of the Association were concerned at the continuation of the practice. The house which published the advertising was asked to appear before a committee, defended its course, and withdrew from the Association. Incidentally, it was found that this was not a single instance of the improper use of relative type sizes. The impropriety was bulletined to the members of the Association with the result that special care is now used in the display of the advertising of similar district issues.

These illustrations may suggest the activities of the Association toward the protection and education of the public. The strongest and most successful houses, almost without exception, are those which have been longest in business. The investment banking house deals with the most sensitive of all commodities—credit. Its own name is of great moment in its sales activities. "Enlightened self-interest" (that very happy phrase) calls for "playing cricket" in its relations with the investor. Therefore, even though a few of our politicians will admit no higher motive, the intelligence of the investment banker dictates a policy of fair dealing.

PHOTOS © BROWN BROS., N. Y.

LITHOGRAPHS FROM VALENTINE'S HISTORY OF THE CITY OF NEW YORK, 1853



What Does the Stock Exchange Do?

WHEN the few stock-brokers who did business in New York in 1792 gathered under the buttonwood tree in front of 68 Wall Street and formed what was the first stock exchange, they did this for the American investing public—a public which has multiplied fifty-fold in the last few years.

A Free and Open Market

THEY gave that public a free and open market for the leading American securities and made this market readily accessible to the whole country through the far-reaching wire systems of its members. The latest and most reliable information obtainable concerning the price and volume of buying in our leading securities is placed at the disposal of the American public by the stock exchange tickers with such efficiency that today New York Stock Exchange quotations are usually available in San Francisco within one minute of the time when they first appear in Wall Street itself. Without these facilities the widespread ownership of capital could never have become the large factor in this country that it undoubtedly has become.

The New York Stock Exchange and the other similar though smaller stock exchanges of the country have spread the ownership of the nation's productive capital among all its classes.

It has often been alleged that stock exchanges constitute a monopoly of some kind. That is not so. The New York Stock Exchange has never enjoyed

By **E. H. H. SIMMONS**
President, New York Stock Exchange

any legal, economic or other monopoly in the business of security marketing. There are now more than two hundred stock exchanges all over the world, of which more than a score are in the United States.

The Stock Exchange never itself buys or sells for its own account nor expresses opinions regarding prices. But on its stock ticker it provides publicity to all its open market transactions, and this publicity imposes a severe test upon any security traded in upon it. If there is any real weakness in any listed security, it is very quickly brought to light and reflected in declining prices. In the same way, the less obvious merits of a security are very quickly realized and result in rising prices. To investors, this rough and tumble seasoning process is a factor of great value.

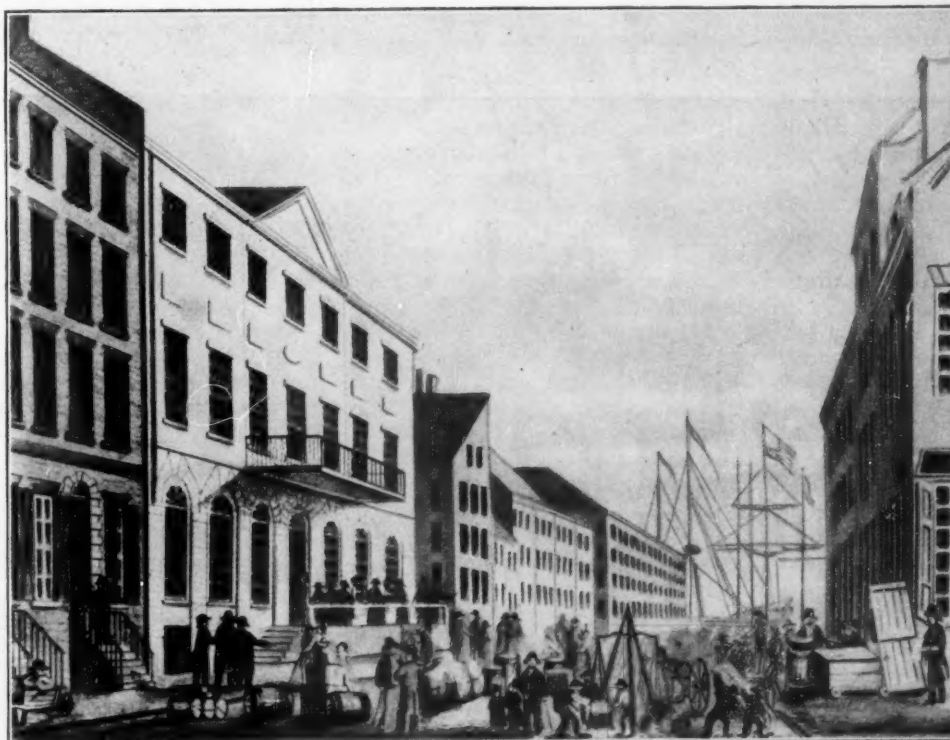
They are able by this means to place their money only in those stocks and bonds which have behaved well under fire. It is also true that a free and open market like the New York Stock Exchange is in the majority of cases the hardest type of market in the world to manipulate. Any attempt to drive prices above or below true values is immediately revealed on the ticker tape, and a target is set up for thousands of security traders all over the country to shoot at.

No individual or small group of individuals can hope to take a stand in the stock market against the collective power of these traders in securities from all over the country, and even from abroad.

Brings Facts to Light

BUT WHILE the stock exchange never attempts to estimate the value of any security, or to endorse, guarantee or approve any of its listed stocks and bonds, the exchange has taken upon itself the task of seeing that enough facts about its listed securities are made available to the investing public for the latter to form an intelligent opinion as to actual security values. As a result, stock exchange quotations constitute a sort of daily health report on the current state of modern American capitalism.

With respect to the necessity for adequate publicity regarding corporate affairs at the present time, the wide distribution of corporate shares has laid an additional responsibility upon our



The Tontine Coffee House, New York, 1796, the first indoor meeting place of the New York Stock Exchange

managers of corporate enterprise. Corporation officials have inevitably assumed the position of trustees in respect to the thousands of new security investors whose representatives they are today.

But it has been realized that many corporation or government financial reports are too technical, too intricate; few individuals, unless they are experts, can tell just what they mean. The New York Stock Exchange, therefore, has endeavored to do its part in rendering the corporation reports required under its listing procedure plain and intelligent documents, yet this is in itself a highly difficult undertaking, because of the impossibility of standardizing the terms for varying modern industries.

There is no essential reason why corporation statistics in this country should look like Egyptian hieroglyphics. Signs are not lacking, however, that some aggressive American business institutions are themselves perfectly aware of this problem and are endeavoring to rectify it. Some of our banks are, in this respect, leading the way by providing the public not only with a full statement of their operations but with a statement so simply expressed that a school child should be able to understand it.

When Should Reports Come?

ACOROLLARY question is that pertaining to the frequency of public reports. Listing requirements have long urged companies with listed securities to render regular quarterly reports. The New York Stock Exchange long ago sympathized with a growing public demand for greater and more frequent publicity in regard to the affairs of corporations listed on its board, and last May it sought to obtain the cooperation of those companies which were and are under no agreement with the stock exchange to make such statements.

The response has been gratifying, but it should be explained that the stock exchange can bring about only a gradual improvement because no company is compelled to list the securities it offers.

Several considerations, initially at least, are apt to deter a company from agreeing to make quarterly earnings statements. Some corporations declare that, unless all their competitors would be willing to do the same, they would be placed at a disadvantage in competition. Other concerns, whose business is essentially seasonal, hesitate part of the year to reveal large profits and at other periods considerable deficits. Yet it is my belief that the sound reasons which

may deter American corporations from giving frequent reports of their earnings are bound to diminish.

An erroneous belief in many quarters is that the New York Stock Exchange "favors" capital in the east to the detriment of the west, and that agricultural interests are subordinated to organized finance. That is not so. Real interdependence exists between the various parts of the United States. The real history of our nation, as well as that of any other nation, is written on the ledgers of its banks, its manufacturers, its farmers and its merchants as well as upon the statute books.

Interdependence of Sections

THIS interdependence of all sections of our country one upon another is rendered fairly familiar to every one by the physical movement of goods and merchandise. In New York, for example, we are aware of the fact that a large proportion of our cotton, our petroleum, and many other of our most important materials originate in Texas. No doubt in the southwest the importation of automobiles and other manufactured products is equally recognized. But there is another, and paramount link—capital.

The constant interchange of capital which goes on daily between east and west is frequently overlooked by every one except the professional banker, simply because it is an intangible product. Yet this constant shifting of funds from east to west, or from west to east, is an absolutely vital factor to the business and prosperity of the entire country. Hardly a day passes that funds originating in western banks do not come into Wall Street to be invested or loaned there on call, while, with equal regularity, funds originally accumulated in the eastern markets are sent westward to develop natural resources or business.

For many years the older eastern sections of this country were creditors in respect to our rapidly growing western sections, while both east and west were

heavily in debt to Europe. The result of this situation was that Europeans were only too ready to volunteer their advice to Americans, who in turn proved very apprehensive of any control from abroad and tended to suspect "British gold." At the same time the east tended to be just a trifle patronizing to the west, which very naturally resented it. Thus certain citizens of European nations were more or less unpopular throughout the United States, while in the west the New Yorker or the Bostonian was viewed with suspicion.

These economic and financial relationships have been very radically altered since the war, and the mental attitude of all of us has unconsciously changed with it. Today the United States is vastly the creditor of Europe, and it is now Europe's turn to resent our somewhat patronizing manner toward her. Likewise the west and southwest have in the last decade experienced very remarkable economic progress and are today much more self-sufficient as far as capital is concerned. The western banker and business man is ceasing to be a debtor of other sections of the country and of the world, and is becoming himself a creditor.

No Lack of Frontiers

IT IS true that the United States has at no time lacked its frontiers. The American frontier has always exerted a profound effect on the money and securities markets of New York, but on the other hand the New York financial center has likewise been able to perform tremendously important assistance and cooperation in behalf of the continued conquest and settlement of this country. The financial markets of Wall Street have lent an indispensable assistance to the development of the west by collecting from the American investing public the funds which were needed to lay railway track, purchase equipment, and establish the efficient transportation system of our own time.

The obligation of the west to the financial center in New York is by no means a one-sided affair, however. In the financial markets of New York, at least, there is little illusion concerning the fact that prosperity today is and must be nationwide and that, unless conditions in the west are favorable to it, the east cannot long enjoy prosperity.

But the passing of the western frontier possesses important modern consequences to us all, apart from its being a thrilling incident in our past history. The close connec-



Old Federal Hall, originally built in 1700, later Capitol of the United States. The Sub-Treasury Building now occupies the site, standing opposite the Stock Exchange



national wealth has been extracted from the soil in the form of animal and vegetable products, or from the depths of the earth as metallic ores, fuels and other products.

Unquestionably, the farmer is the greatest producer of wealth in the world. Moreover, since we must all eat or perish, his product is the most essential form of wealth that exists. Our periods of na-

buy wheat, cotton and other agricultural products of ours, and performs other related services.

The more modern finance can succeed in averting unemployment in the cities and in raising the standard of living of the townsfolk by installing quantity-production and labor-saving machinery, the more agricultural products can be sold. And last, but not least, modern investment business has performed another genuine service for the farmer in helping to make available to him labor-saving devices and machinery with which to carry on his farm work which recompenses him for industry's drawing away his manual workers.

Farmer Interested in Land

HITHERTO, however, the farmer has not often made it a practice to invest in corporate securities. He has shown a natural preference toward using his surplus funds to acquire more land, or to lend on land mortgages.

Most farmers have been too busy with their own essential pursuits to study securities or securities markets. Indirectly, however, farmers have proved an important class of investors in corporation securities, through insurance policies, sav-

The present Stock Exchange Building, New York. Below: An old lithograph, showing the present site of the Exchange as it appeared at the close of the seventeenth century



tion between the development of the west and the prosperity of the east has been misunderstood and misinterpreted. It is scarcely fair to attribute all of the suspicion formerly felt in the west, south, and southwest, entirely to those sections' indebtedness to eastern capital. So rapidly were great business corporations created in this country in the decade after 1900 that, in the east no less than in the west, there were natural doubts as to the effects of this swift development in business and finance upon the political and social life of the United States.

Shareholding Becomes Common

IN RECENT years, however, the evolution has been better understood. During that time a very fundamental and remarkable change has been going on in the actual ownership of the major business corporations of this country. Year after year the number of their shareholders has been rapidly increasing; the large holdings of stock by a few individuals have been diminishing, and their shares have been more and more widely distributed among the American public.

With respect to agriculture, to discuss the other allegation referred to, its relationship to the securities investment business of the country has always been and is fundamental.

The investment business has to do with directing the surplus wealth of the nation into productive employment. To carry on this important task banks and stock exchanges have been created. Where does this surplus wealth come from? To a minor extent it is drawn from the sea and even from the air. Yet fundamentally our

tional prosperity have generally been inaugurated on the American farm. The farmer quickly shares his good fortune with the city dweller by purchasing liberally of the latter's goods. Agricultural prosperity, therefore, regularly leads to industrial and financial prosperity, and conversely, agricultural depression is quickly felt in our shops, banks, and stock exchanges. In few lines of city enterprise does agricultural depression become more speedily or more keenly apparent than in finance. When the American farmer is in serious difficulties the earnings and dividends of many large railroad and industrial corporations are reduced, and security prices fall. Credit shrinks.

But this relationship is not wholly one-sided. The farmer, too, has benefited in many important ways from the organization and growth of the country's financial markets, particularly those of New York. Only by the attraction of funds in small amounts from all over the country into large reservoirs of capital has it been possible to construct railways for the shipment to market of the American farmers' produce. The same machinery also lends money to foreign nations with which to

ings bank accounts, since in both cases the funds which are so paid in by them are regularly employed in investment.

Because of their apparent disinterest, if not lack of time, farmers have been unable to judge which are the good and which are the bad securities, with the result that many of them have suffered losses by swindling. On the other hand, city investors, too, have lost to perpetrators of fraudulent security projects.

Solving the Swindle Evil

ALL those connected with the security business have been in recent years deeply concerned with the serious problems of security swindling in this country. It can only be solved by the universal and hearty cooperation of our federal and state governments, on the one hand, and the major business organizations and associations of the country on the other. In a campaign against security frauds which the New York Stock Exchange has undertaken, this policy has been followed, and already promising results are flowing from it. The fake promoter and the salesmen of fraudulent stocks and bonds must go.

Those Not-So-Good Old Days



JUST HOW GOOD were the old days? Blazing fireplaces, tables loaded with huge joints of beef, cellars stocked with wines and liquors, larders bursting with preserved fruits, stables filled with spirited horses!

Good cheer, gay conversation, downright comfort! Isn't that the picture we have of life in the time of our great-great-grandfather? Some months ago Stuart Chase contributed an article to *The Nation*, in which he compared the situation in which he finds himself with that of his great-great-grandfather.

A Brief for Better Days

HE ASSERTED that the old man, living in Newburyport, Massachusetts, in 1800 was better off than his great-great-grandson who is housed in a Manhattan apartment, third floor, through the windows of which the sun rarely shines.

The article compels wonder. Are we getting anywhere? Do running water, sewage disposal, flush toilets, bathtubs, telephones, radio, automobiles, phonographs, railroads, delicatessen shops, manicurists, electric fans,

By **WILLIAM FEATHER**

Illustrations by Frank Murch

pale ginger ale, hair restorers and removers, automatic cigar lighters, self-winding clocks, vacuum cleaners, and pencil sharpeners, offset the suggested losses? Perhaps no one will ever know.

But we do know that a great part of the misery that was endured by our forefathers has never been effectively recorded in literature eulogistic of the period.

In those days wives were expected to die off at forty, and every other child succumbed within the first few months of its life. Most men were pretty well broken down at fifty. Citizens who enjoyed the comforts and luxuries suggested in the first paragraph were rare. I wonder if living conditions in the eighteenth century were as good as we sometimes suppose. Let us leave the roaring fire, the

punch bowl and the well-fed and possibly overstuffed guests, and look around. Dr. Wogds Hutchinson recently contributed an article to the *New York American* in which he told about the penalty our forefathers paid for the lack of sugar on their tables. Do you know why they ate so heartily? Their bodies cried for sugar and certain vitamins, and in order to get these food elements they devoured huge platters of coarse foods.

A single tomato or a head of lettuce or three teaspoonfuls of sugar might have ended the craving.

A Theory of Eating

DR. HUTCHINSON says: "Their (our forefathers') only carbohydrate balance was cannon-ball dumplings of coarse flour, loaded with chunks of fat, spices and a few sour prunes, eagerly devoured under the name of plum pudding. Two wedges of this under a man's belt would act like a hand grenade. "The whole avalanche was literally swept and washed down—it had to be—with gallons of heady ale, flagons of strong waters and bottles of port and

Burgundy, by the half dozen. "Small wonder that the father of the family awoke the morning after Christmas with a head like a concertina, a mouth like a limekiln and a grouch that made him long to sally forth with his vorpal blade and cleave someone to the collarbone; friend or enemy—enemy slightly preferred."

Cost of "Blazing Logs"

THE ROARING fire wasn't all cheer and happiness, either. The enjoyment of it must have been something like the pleasure of a long ride in a taxicab. As the clicking meter disturbs the passenger, so the blazing fire must have disturbed our jovial great-grandfather. Fortified with a half dozen glasses of punch, he probably threw on the logs recklessly, forgetful for the moment of the toil and sweat which the chopping of so much firewood entailed.

The members of my family go without a fire in the open grate half the time to avoid hauling logs from the basement. If we had to cut our logs, I wonder if we should ever enjoy a fire. The truth is that our great-great-grandfathers avoided the drain on their energy and got along with as little fire as they could. They kept the windows of their houses tightly shut from late fall to spring. Fresh air was expensive, measured in the human toil required to warm it. It was expensive in time. An acre might be plowed in the time required to cut enough wood to keep a fireplace blazing a single day.

Consequently great-great-grandfather or his wife or children often died of lung trouble, due to lack of fresh air, or from exposure, due to distally cold rooms.

France's Trouble

DATA on conditions in modern France may profitably be interjected at this point. A low birth rate is not responsible for the static population of France, according to a recent article in the *Manchester Guardian*. The birth rate of France is higher than that in England. The trouble in France is a high death rate. They die young in France despite a most favorable climate. Why? Because the sanitation is medieval. In the rural districts landlords are allowed to let cottages with mud floors without water-closets or any water supply except a stagnant pond. Many Paris suburbs are still without a main drainage system, and houses are built over cesspools, as is still the usual practice in all the rural districts. The peasants in many parts of France live in grossly insanitary conditions, with cows and horses in the houses and so-called dust-heaps under the windows. Agricultural laborers sleep in the stables. Two years ago I spent two weeks in rural France,

driving about in an automobile. I was an eye-witness to the conditions described, in explanation of the high death rate. At the time I wondered, and I still wonder, if the American's pride in his bathroom is not entirely proper.

The "Low Down" on the Old Days

H. G. WELLS, being a good realist despite his imagination, refuses to become the victim of romantic fancies about the good old days. In "The World of Henry Clissold" one of the characters does a bit of day-dreaming, and Wells lets Henry Clissold check him.

He labels the good old days a "Scholar's Fairyland," and then proceeds:

"For think of what those days were in reality, the life in fortresses and castles, the towns like criminal slums, the houses crowded together and locked and barred and fortified against each other, bodies unwashed and clad in coarse and dirty woollens as the finest wear, brutish communes here and reigns of terror there, gangs in possession, monasteries and nunneries illit-

erate and remote, sheer naked savagery in many districts, and mud-tracks through the unkempt woods between the towns, not a road except for some Roman highway in decay, not a bridge except by way of atonement from some powerful dying sinner, fierce dogs upon the countryside, hogs and stench in the streets of the cities, pestilence epidemic. Endless breeding of children there was, to fester and die for the most part before ever they grew to youth's estate."

When Knighthood Flowered

THAT was life in the days when knighthood was in flower, when thick-walled, windowless cathedrals were built in every hamlet, when men wore coats of armor and women wore girdles of chastity.

Getting back to Stuart Chase's great-great-grandfather, I realize there are millions in the United States who are probably no better off than was the old man as far as physical comforts go, but I wonder if anyone today leads such a dull life as must have been the lot of Chase, Sr. Mud roads, snowdrifts, and horseback locomotion confined Chase, Sr., to an extremely limited horizon. Circumstances in those days required vast inner resources for mental activity. Oppressive lonesomeness drove thousands insane.

Distance Dwarfed

THE MODERN post office and telephone, and lately radio, have facilitated communication. The railroad and the automobile have dwarfed distance. Central water, light and gas systems have relieved us from endless drudgery. Furnaces have supplied us with warm, fresh air on the coldest days.

I am working in the living room of my home, pounding a portable typewriter. I look around and this is what I see:

An Inventory

LIGHT provided by a lamp in which burned two incandescent bulbs.

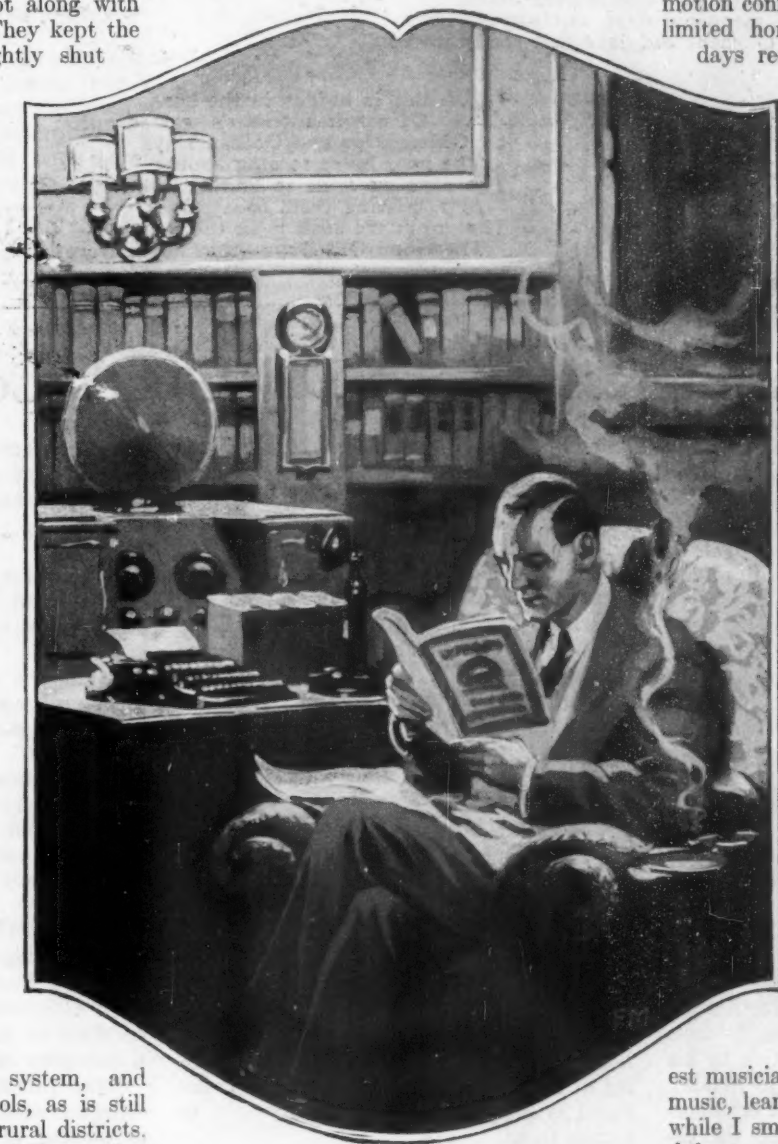
In an adjoining room a telephone from which I can talk to any city on this North American continent.

On the wall is a thermostat which regulates the flow of gas in my furnace, and keeps the room at an even temperature of 70 degrees.

A music cabinet containing records of the finest arias from the best operas, and selections by the great-

est musicians in the world. I can hear this music, leaning back in a comfortable chair while I smoke a cigar, and I don't have to defer to anyone in making up my program for the evening.

Almost within arm's reach are several shelves of books filled with the most profound and beautifully expressed thoughts of the ages. I can spend an hour with Ben-



In contrast to the "good old days," I can sit in my living room surrounded by physical comforts and printed inspiration such as my grandfather could not conceive

jamin Franklin and absorb the homely wisdom of that great sage; I can enjoy the sparkling tales by the three masters of the short story: O. Henry, Guy de Maupassant and Rudyard Kipling.

I can laugh with Mark Twain, or philosophize with Herbert Spencer.

I can follow Gibbon and see the great Roman Empire spread itself over the known world and then watch it crumble because its people could not stand prosperity.

For a few cents a day I have delivered to my home the news from the four corners of the world. This news as printed in the daily paper is interpreted for me in the weeklies and monthlies, all of which are delivered to my very door by the postman.

The floors of my home are cleaned with a suction sweeper, while the clothes are put through an electric washer and ironed

The Good Old Days That Never Were

By BERTON BRALEY

THE Good Old Days, the Grand Old Days,
The Yesterdays that were so fair,
When people tread their happy ways
Without a fret, without a care.
When every workman sang at work
A gay, contented fashioner
Of handicraft sans sweat or irk,
The Good Old Days—that never were!

THE Grand Old Days, the Bland Old Days,
When life was all a perfect idyll,
When men and wives in all their ways
Lived on and on—forever bridal
When children did as they were bid
Without a question or demur
And everything went fine amid
The Good Old Days that never were.

THE sad old days, the bad old days.
How easily do men forget
The dirt, the grime, the cruel ways
Of hunger, sin and want and debt;
The drudgery of hopeless lives
With pain and misery a-blur,
In mean old days, unclean old days
Obscene old days that really were!

ALL this is hidden in the haze
Of sentiment that's wafted out
Of Olden Days and Golden Days
The poet loves to sing about;
The days we hope to find at last
And, missing them today, aver
That what we seek is in the past
The Good Old Days—that never were!

in an electrically-driven mangle.

My children attend a school where they are given a better education than the sons of kings could command a century ago.

I go to work in an automobile, and I travel a distance in three-quarters of an hour which would have been an all-day trip for my father, a generation ago.

I enjoy all these things, and yet I am just an ordinary citizen with an ordinary income, living in an ordinary way. Tens of thousands have just as much as I—and more.

Were the good things of life ever so easily at the command of the ordinary man as they are today? To be perfectly frank, don't we all do a lot of grousing that we haven't any right to do? And if we aren't careful, isn't there danger that we will upset the greatest civilization the world has ever known?

An Editor's Impression of a Dry Goods Convention

IN THE long chain that leads from the cotton in the field to the shirt on the back, it is the last link that touches most of us—the retailer, the man who takes our money. If that shirt fades or fails to wear, to whom do we turn? Not to the cotton planter or the spinner or the weaver or the maker of the shirt but to the man who handed the shirt over the counter.

When 1,500 members of the National Retail Dry Goods Association met in New York the other day, you and I might well ask, "What concerns them? What are they doing to change the channels of distribution? What tendencies in business are they watching?"

Here are some answers gathered by a member of the staff of the *Nation's Business*.—THE EDITOR.

THE RETAILER is keenly awake to the temptation on the part of the manufacturer to penetrate further the field of distribution but he actually feels that the manufacturer should stick to his knitting, should devote himself to making the best merchandise in the most economical way and let the retailer keep the direct contact with the buyer.

LEW HAHN, managing director of the dry goods men, put it this way:

"Unless the retailers can assure the manufacturers that they are in control of up-to-

date and efficient merchandising facilities and all the machinery of retail distribution, and can give the products of the factories clear way, if the products are what the public wants, then the retailer is going to have increasing pressure from the manufacturer to control distribution."

Here is Mr. Hahn's summing up of the attitude of the department stores to the public:

"We intend always to place at your disposal, regardless of whether it carries a brand, regardless of whether it is nationally advertised or not, the thing that is of most worth to you."

WHAT is meant by "increasing pressure to control distribution," on the part of the manufacturers? Two things apparently in the minds of those who heard Mr. Hahn: (1) the direct distribution by such methods as house-to-house selling by the manufacturer or the establishment of chain stores for the marketing of his goods, or, (2) national promotion chiefly through advertising of a demand for his goods—such a demand as compels the retailer, willy nilly, to handle them.

IT IS interesting to note in any consideration of the relations of the retailer to the national advertiser and it's a big subject, that Edward A. Filene of Boston who once saw an invasion of the big distributor into

the manufacturing field is inclined now to believe that making and selling are two separate functions that call for two types of mind.

"BRAND specification" and "trade specification," high-sounding words—for what? For two types of customers? One says:

"Gimme a bottle of Carbona."

The other says:

"Gimme something to take the spots off my clothes."

But in those two phrases is the germ of what is really a constant and an important rivalry in industry: Which is the more desirable customer for the retailer? Which is the better state of mind for the customer?

O. H. CHENEY of the American Exchange Irving Bank, who opened in *NATION'S BUSINESS* the discussion of "The New Competition," was one of the star speakers of the meeting. He ventured on a definition of distribution in these words:

"The process of distribution consists of certain essential elements—a certain amount of moving of goods, a certain amount of storing, a certain amount of selling and a certain amount of financing. It does not matter who performs these functions—they must be performed and they must be paid for, and somebody has to pay for them. So long as these functions have to be per-

formed, so long will it be impossible to cut out the cost of performing them from the costs of distribution."

MR. CHENEY also shook a disapproving finger at retailers who depend on Paris for style:

"I am very much afraid that the women's wear industries, for example, have worshipped at the shrine of Paris too long," he says. "In carrying out their elaborate ritual of importing Paris styles, including the numerous pilgrimages every year, the manufacturers and merchants have in the last few years been blinding themselves to the truth. Less and less each year does Paris determine what the women of America shall wear."

"Without our realizing it, the trend of style has been reversed. The men's clothing manufacturers are beginning to sense this—they are sending scouts to the American colleges to find out what the men will wear. This in spite of the Prince of Wales. Some day in the near future, American women's garment manufacturers will begin sending scouts to the girls' colleges and even high schools, to find out what the women at Monte Carlo will be wearing next year."

THE RETAIL dry goods folk may resent the invasion of the distribution field by the manufacturer but they are not blind to their own shortcomings. Some time ago they engaged Paul M. Mazur, once a store owner but lately an investment banker and analyst, to survey department store methods. His report has been put out in a substantial volume by Harper & Brothers and was much discussed at the meeting.

THE master chart of the Mazur survey, to show all the functions of store retailing, is 35 feet long and four feet wide—a Goliath of charts.

IT HAS been a fashion for some years to heave unfriendly bricks at "middlemen." "Parasites" is one of the handy words used to describe them. This story was told by a retailer:

A western farmer came from his plains home to the village undertaker. His wife was ill. The undertaker told him he needed a doctor.

"No," said the farmer, "I've heard so much about these middlemen in the past that I've decided to cut them out."

THE RETAILER is, of course, tremendously interested in the new competition. Not only the new competition in methods of retailing, as for example the chain store and the mail-order house, but in the competition between materials. How far wool is to compete with wool, cotton, and silk no man knows but here are some figures:

The Retail Association learned that in 1926 sales of rayon underwear increased 45 per cent and silk only 8 per cent. Cotton declined 3 per cent and wool underwear showed still greater losses.

NO SUCH group of business men as the National Retail Dry Goods Association ever gets together without the talk turning on who are the "comers" in the business. Men of all ages and of all positions are discussed in these gossip meetings. Here are

four names that bobbed up in one of these group talks after meetings and before dinners:

Edwin A. Dibrell of R. H. Macy & Company, New York.

B. G. Hawkins of the Jordan Marsh Company, Boston.

F. M. Mayfield of Scruggs, Vandervoort, Barney, Denver.

Prentis T. Burtis of Hale Bros. Stores, San Francisco.

And it may be on the other hand that the Marshall Field of 1950 is now a stock boy in a Chicago store who quit school at 12, or a recent graduate of Yale with a Phi Beta Kappa key.

SEVENTEEN years ago Andrew M. Cooper, a dry goods merchant of Bridgeport, Connecticut, sent out a call to retailers of the country to form a society for studying their business. Up to that time there had been sectional associations. But there was need of a national representation. The National Retail Dry Goods Association was organized. There were about twenty members, and four thousand dollars was raised to carry on the work the first year.

Today the Association has more than 2,000 member stores, located in every state in the Union. The Association spends a quarter million dollars annually raised by assessment based on volume of business.

As a memorial to the founder, who died last year, members of the Association are raising a fund to provide for further business research in retailing.

COOPERATION between industries: The shoe business works out its color schemes with the dress goods makers and the retailer is able to plan his buying so that the customer may match shoes and dress.

IN THE department store, style is, of course, a tremendous factor. Let the world, and more particularly the woman's world, become convinced that pink shoes are an essential to right living and there won't be shoes enough to go round. But how fast does fashion travel?

"It all depends," explains F. McL. Radford, Seattle merchant. "Take galoshes. Three years ago they came into popularity in the east, with factories taxed to meet orders. Only the past winter did citizens of the northwest coast adopt them in volume."

"On the other hand a telegraphic dispatch from the east that red has become the prevailing color for dresses clears the store of all stocks of that color, almost overnight. Just one of the foibles of business."

Men like to think that they are less fickle. But are they? There are sections of the country where derby hats sprang up like mushrooms almost overnight.

DANIEL BLOOMFIELD, manager of the retail trade board of the Boston Chamber of Commerce told the dry goods men how the radio was being used for continuous advertising of bargains. The radio user can get "Station Bargain" at any hour from 8 to 6, listen to a little entertainment, and some sales talk and learn about special offerings. The stores pay from \$25 to \$100

a week for this privilege. The talks are repeated in the course of the day. It is possible for a store to receive goods in the morning and announce in time for the shopper to buy before closing time.

Almost like a ticker service on stock exchange quotations!

THE STOREKEEPERS tell us that shoppers are heeding the advice to avoid rush hours on main traveled transportation systems of the cities and that the busiest store hours are from ten to two.

IF A STORE patron kicks once he can get away with it, but thrice he's listed. Many stores keep handy records of those whose complaints are chronic.

Here is the result of a survey cited as reflecting the average for the volume of business for a store of today!

In one day 273 cases where the customer wasn't satisfied; cash refunds, 8; credit checks, 100; exchange of goods, 165.

A few years ago the record would have been about this—refunds, 200; credits, 8; exchanges, 65.

THERE'S profit for any business that develops the trade of the children and young people of today, says Arthur W. Theiss, of one of the large Cincinnati stores.

The younger folks choose their own sport roadsters and decide for themselves what they will wear, and this helps to win the trade of the coming generation.

THERE is a noticeable drift in the retail business from the special sales at fixed periods of the year. The custom has had a bad effect on the manufacturing plants, which have been taxed to capacity production for special orders for certain months, and then have had a let-down in business.

RALPH C. HUDSON, new president of the Association, is a leader whom the members won't let step aside. He has served the Association several years in various ways. Advanced to regional vice-president and director, he was due to become a past officer. But the membership found a way under association rules to have him appointed to fill a directorate vacancy, thus making him eligible for the presidency. The members gave him an unanimous election. He is president of O'Neill & Company, Inc., of Baltimore. He has risen from a book store clerk at thirteen and has served several large retail concerns in the east.

A FORD story, probably old (most of 'em are), but it made some men laugh.

Miss Celia R. Case is educational director of the Michigan Retail Dry Goods Association and talks to many meetings of salesmen on method. One sales girl told her this:

She dreamed that Henry Ford was dead and she was watching the funeral pass by with six men carrying the casket.

As the head of the procession reached her, Mr. Ford sat up straight in his coffin and said:

"Put this casket on wheels and lay off five men."

Spreading a Gospel of Transportation

ENLARGEMENT of markets to make mass selling in all parts of the globe possible is a task one trade association has undertaken and has undertaken it regardless of the fact that other manufacturing nations will benefit. In justification of this stand, the association says that if the market is created the association's individual members can get their fair share of the business.

The trade association is the National Automobile Chamber of Commerce and, in its development of overseas markets, the objective sought is stimulation of greater use of motor vehicles abroad in order that their manufacture and sale may be considerably increased regardless of the country of origin.

This campaign of mass salesmanship got its first impetus from the First World Motor Transport Congress held in Detroit in the spring of 1924 under the auspices of the Automobile Chamber. More than 150 delegates from more than 50 countries speaking 16 different languages attended the various sessions at which the economics and utility value of motor transport were discussed.

Roads Around the World

EACH continent presents a different problem. Europe is more or less developed as far as roads go; but the war and post-war problems have created conditions far different from those of South America where the country is not developed. These two continents have been the center of activities of the Automobile Association, though men have been sent to Asia and Australia preaching the gospel of good roads.

"How many cars will Europe buy next year?" No one knows, but the chamber can point the way for the American manufacturer to sell. Automobiles may be regarded generally as luxuries; trade barriers may make selling difficult; war vehicles may still clog markets for trucks; different financing methods may slow up sales, but there are the problems.

South America is, however, the continent on which the automobile body has done its most interesting work. The Fifth Pan-American Congress held in 1923 called for an official Pan-American Highway Congress to which Argentine played the host. The invitation for attendance came in due course of time to Washington, and the Pan-American Union, the Inter-American High Commission, and the Departments of Agriculture and Commerce held a conference over it. They decided that a great deal more benefit would result if a selected group of men from each of the Latin-American countries came here before the conference to survey for themselves the problems and influences of a developed system of modern transportation.

No governmental funds were available

By JOHN N. WILLYS

Chairman Foreign Trade Committee, National Automobile Chamber of Commerce

and it was necessary to act quickly. Appeal was made to private business men who responded whole-heartedly. Though sponsored by the Highway Education Board, the National Automobile Chamber financed in large part the trip, which was laid out with the idea of showing work done under conditions as nearly similar to those that these visitors would encounter in their own

HERE is one more example of a trade association's activities that benefit entire communities and a particular industry as well.

The National Automobile Chamber of Commerce is selling the world an idea. That idea is motor transport.

Maybe American motor manufacturers will profit by the resulting sale of buses. Maybe English or French or German vehicles will enter the newly opened market. The Chamber is willing to take its chances on that. With good roads developed in Uruguay or Victoria, American manufacturers will get their share of the business. The Chamber is interested in opening up continents with good roads, thus making new markets, rather than in the advancement of individual firms and fancies.

And in doing so, both the gospel of good roads and the gospel of good transportation are more effectively preached.

—The Editor

countries. A trip was planned with the aid of the various interested state highway departments and private companies. It covered North Carolina, Kentucky, Illinois, Minnesota, Wisconsin, Michigan, Ohio, Pennsylvania, and New Jersey. Studies of administration and finance were made.

The Social Side of the Road

THE ECONOMIC and social value of highway building between cities and towns of Latin America was stressed at the Pan-American Road Congress held at Buenos Aires in 1925. President Coolidge in appointing the United States delegation named H. H. Rice, treasurer and director of the Automobile Chamber, as chairman, and Pyke Johnson of the same association, executive secretary.

The Automobile Chamber has cooperated in all the various transportation meetings, the World Transport Congresses, the International Road Congress, the Pan-American meetings, and with the International Chamber of Commerce in its report on transportation.

As chairman of the Foreign Trade Committee, I, with George E. Bauer, its secretary, visited sixteen countries of Europe in the summer of 1925. Addresses illus-

trated with motion pictures and lantern slides regarding automobile topics of general interest were given before automobile dealers' and owners' associations, technical colleges, agricultural bodies, bankers, and groups of officials in each of the countries visited.

In the early part of March, 1926, the Automobile Club of Cuba, the Cuban Automobile Chamber of Commerce, Engineering Society and Rotary Club joined together in organizing a Cuban Motor Transport Congress in Havana at which highway construction and maintenance were to be the chief topics of discussion. In company with Roy D. Chapin, H. H. Rice, D. C. Fenner, Alfred Reeves and George F. Bauer, I attended this event.

Widespread publicity given to this event in Havana and subsequent meetings in other important cities created such popular interest in the subject of highways that it is now planned to complete the 660-mile Central Highway in four years in place of ten as originally proposed. Keen interest taken by President Machado and other leading government officials in the Congress is largely responsible for this favorable situation.

Meeting at Melbourne

WALTON SCHMIDT represented the Chamber at an International Motor Transportation Conference held in connection with the International Motor Show at Melbourne, Australia, last year. Prior to that time he visited Hawaii and New Zealand; and subsequently, the Straits Settlements, Burma, India, Egypt, and British East and South Africa.

Representatives sent abroad by the chamber have not endeavored to sell anything other than motor transport. They have told foreign automobile men, bankers, government officials and others interested in our experience with respect to highways, traffic and safety work, legislation, taxation, selling servicing, financing and rail and motor transport coordination. This has been done with the idea that such parts of our experience as may be of use to them are made available without the necessity of carrying on costly experiments similar to those which we were obliged to undertake. At the same time, our men went to learn their problems and the benefits of this undertaking cannot be overestimated.

Exact results derived from mass selling of this kind are difficult to determine. The chamber is selling motor transport regardless of whether the cars which make up motor transport be sold by American, British, French, Italian, German or other European manufacturers. Substantial dividends, however, may always be expected from broad educational work of this nature and the chamber feels that its efforts along these lines are directed in the right way.

BABBITT THROUGH THE AGES



V—ROME

THE original luncheon club of ancient Rome invites as its guest Mr. Scipio Publius Babbitt who finds upon his arrival that he is called upon to furnish the principal part of the program. This was perhaps the first luncheon club meeting attended in force by the lions. One of the leading luncheon clubs was doubtless organized in a desire to perpetuate the memory of this early martyr.

NATION'S BUSINESS

Published by the Chamber of Commerce of the United States

MERLE THORPE, Editor

Washington

April, 1927



The Annual Meeting

THE ANNUAL meeting of the Chamber of Commerce of the United States, on May 3, 4 and 5, at Washington in the home of the Chamber, will be the most important business gathering of the year.

"The New Business Era" will be the general theme of the meeting. There will be discussion of the changes that are taking place in our business methods, such topics as "the new competition," group battles for markets, waste elimination in manufacture, new relationships in foreign markets, and a dozen other no less important subjects in insurance, finance, transportation, civic betterment and development of our natural resources.

Two meetings will be devoted to surveys of our business status, one from a geographical point of view, with distinguished speakers from the four quarters of the United States who will tell of conditions in their territories. At another meeting leaders from the major divisions of industry, such as insurance, finance, manufacture and retailing, will be heard.

Making the occasion eventful, will be a joint general session with the Pan-American Commercial Conference, at which President Coolidge will speak.

A list of distinguished speakers, not the least of whom will be Secretary Hoover, will address the various meetings, and in addition an attractive list of entertainments has been arranged.

This, the fifteenth annual meeting of the National Chamber, promises to be the best attended and the most important which the organization has ever held.

Walter Leaf, Banker and Scholar

IN THE death of Walter Leaf, President of the International Chamber of Commerce, Great Britain lost one of her ablest financiers and economists. Of his eminence in business the world knew much. Not so wide, perhaps, was the reputation he had won in earlier years as a great Greek scholar. Probably the alliance of brilliant business ability with scholarly attainment is still rare enough to excite comment, though there seems no good reason why divergent talents should be thought opposing or conflicting.

In England and here, the poet and the banker have been happily expressive in Rogers and Stedman. For contemporary example is Edward Burgess Butler, once the head of the great house of Butler Brothers in Chicago, and now at 74, a prize-winning painter using the name of "Karl Ruble." And nothing could be more businesslike than Fairfax Harrison's management of the Southern Railway; nothing could be more scholarly than his study of Virginia's history.

Learning certainly has not hindered these men in their achievement of business success. Rather, the record invites the expectancy that a wiser and more discerning age will discover that business and culture are in no sense in-

compatible. With that discovery, a familiar proverb could be revised to read, "Scratch a Babbitt and you'll find a scholar or an artist underneath."

A Work for the Public Good

THE VETO of the McNary-Haugen Bill makes not less necessary, but more, the work of the Business Men's Commission on Agriculture set on foot by the United States Chamber of Commerce and the National Industrial Conference Board. Its members are making a business study of a fundamental American business. They are giving to it one of the hardest things to give—time.

"Time," said a business man the other day, "is the hardest thing for me to give. I need time in my business, and I want time for my pleasure. To turn time over to some one else is a task, and I am not alone in this feeling. I am sure that I could more easily go among my acquaintances and raise a hundred thousand dollars than ten thousand hours to be devoted to something outside of their usual pursuits."

Here are some men who gave time to the opening meeting of the commission:

CHAIRMAN NAGEL, from St. Louis;

E. M. HERR, of Westinghouse, from Pittsburgh;

ALFRED H. SWAYNE, of General Motors, from New York;

W. C. PROCTER, of Procter & Gamble, from Cincinnati;

JUDGE BINGHAM, from Louisville, Ky.;

JOHN STUART, of Quaker Oats, from Chicago;

A. R. ROGERS, Rogers Lumber Company, from Minneapolis;

PAUL WARBURG, the banker, from New York.

These men gave of their time until finally one of the commission plaintively said:

"Would you mind if I took fifteen minutes today to attend to my own business? I have three board meetings."

It is hard to believe that out of such a gathering, moved by this willingness to serve, there will not come something of benefit to American agriculture and American business; and what is of benefit to one must be of benefit to the other.

On Selecting an Expert

A BUSINESS man noted for his shrewdness learned that it was necessary that his appendix be removed.

Greatly concerned, he thought the situation over and then announced his conclusion:

"Down the street," said he, "is old Tom Brown, the blacksmith. He's been badly hit by the invasion of the automobile, and he needs work. Moreover, he needs money and will work cheap. He's had some experience handling tools. I'll hire him to remove my appendix."

At this point the story stops. It's too foolish to be continued. The business man employed the best surgical ability he could find, as he consulted a capable lawyer when he had a contract to execute, or an engineer when he wanted to enlarge his factory.

But how many business men show the same intelligence when it is a question of selecting the man to whom they entrust the business affairs of their community?

How many business men realize that the executive management of a commercial organization is a profession calling for special knowledge, for expert training.

The truth is that many of our business leaders, leaders, that is, of their own business, are blind leaders of the blind when the question of chamber secretaryships comes up. They seem content to know that the applicant needs a job, is agreeable, can shake hands heartily and talk fluently. They are indifferent to his knowledge of cham-

ber financing, of organization, of work planning. The modern chamber secretary should be, and more and more will be, a man definitely trained for a definite task, not a good fellow whom the business community wants to help.

A Nation Fast Growing Rich

THE NATIONAL Bureau of Economic Research tells us we are getting richer, richer not merely in dollars, but richer in what the dollar will buy. The year 1920 was a good one, almost too good to be true, so good, in fact, that we failed to keep on climbing and dropped back in 1921. But since 1921 the national income has climbed steadily, a growth in half a dozen years of 40 per cent. That's in dollars, and the average price of goods to the consumer was slightly less in '26 than it was in '21.

In 1921, says the Bureau, our total "current income" was \$62,736,000,000. In 1926 it was \$89,682,000,000. Per capita the jump was from \$597 to \$770, or per worker, from \$1,537 to \$2,010.

Imposing figures of a great national prosperity, figures which cannot but raise the question anew:

"Can this increase keep on indefinitely?"

A chart of income per capita measured in 1913 dollars is interesting. From 1909 to 1921 the rise was slight, any gain being almost overcome by the drop from 1919 to 1921. Since then the march has been upward.

From another source, the National Industrial Conference Board, comes an estimate of how these incomes are earned. The Board's survey shows that fewer persons worked in proportion to the population in 1925 than in 1920 or 1910.

Various factors have contributed to this. More and more our population is extending the time devoted to education. We are doing more things by machine, so that the number of employes has not grown as fast as our increased population, while our farm population has dropped.

In other words, we are turning from an agricultural to an industrial country without a proportionate change of our population from farm to factory. Then, perhaps, more men with increasing national prosperity are quitting the field of "gainful occupation" at an earlier age.

In any event, fewer persons seem to be succeeding in making more money.

A Warning to Advertising

PERIODICAL advertising as a means of selling goods has a definite place in our economic system.

But, like every other method of doing business in these days of acute competition, it is open to attack and equally it must be prepared to defend itself and to attack anew.

Just now periodical advertising is being shelled from two quarters. Newspapers are rejoicing in the announcement of J. P. McQuiston, advertising manager of the Westinghouse Electric Company, that in the coming year all its advertising will be in the daily press. To which the magazine publishing industry replies:

"Westinghouse has had a dozen years of national advertising. Its name is a household word. Perhaps it is wise in approaching local markets to help local dealers, but Westinghouse may find at the end of a year or two that it can't afford to overlook the magazines, the advertising that sticks, that drives in the name of a product and the good repute of its maker."

But every national advertiser, and every publication that carries advertising, knows that "the new competition" between the various kinds of advertising is as keen as it is between the railroad train and the bus.

The other attack on nationally advertised and branded

goods is coming from the retailer. It cropped out at the meeting in February of the National Retail Dry Goods Association. For proof read on page 28 of this number what Lew Hahn had to say.

Ralph Borsodi's book, "The Distribution Age," is another contribution to the subject. He attacks advertising—and national advertising in particular—as being intended to create an artificial demand so that "the manufacturer can secure higher prices."

Another book, "Your Money's Worth," which is announced for early publication and a chapter from which is published in the *Journal of Retailing*, is aimed still more definitely at nationally advertised branded goods.

The national advertiser, the publisher and the advertising agent can never afford to be complacent. Theirs is a double task, and a task not yet ended, to

(1) convince the advertiser that national advertising is a profitable way of selling goods.

(2) convince the public that it is an economical way of selling goods and by that we mean economical from the angle of the public's pocketbook.

As to More Laws

WE YIELD gratefully to Gov. Alfred E. Smith of New York the task of writing this month's editorial article on the American tendency to pass laws for any and all purposes. The Legislature of the State of New York has decreed with what hooks and what lines one may and may not fish. But the legislature felt that the fish in Lake Keuka called for a separate code and passed an amendment which the Governor describes as "a good example of the senseless operation of regulating this question by law."

And said Governor Smith further:

Under the present law a person may fish by a hook and line in hand, or a rod in hand, not exceeding two lines, with or without rod, to one person, and not exceeding fifteen hooks to a line. The time of the legislature and the executive department is taken up by an amendment to this law to provide that in Lake Keuka a line may have not to exceed seven leaders and on each leader not to exceed three triple hooks.

It is not sufficiently important to the State of New York or its conservation policy whether or not in a given lake there may be an extra hook on a fishing line.

To my mind the thing seems so silly that I am unable to bring myself into a position where I can accept the bill. I am entirely unwilling to glut up the statute books, pay the necessary money for printing and advertising the amended law and add to what ought to be a simple rule or regulation the dignity and majesty of law. If this is a desirable thing to do, let the Conservation Commissioner do it. There is nothing before me that indicates in the slightest degree that the fish will bite any better when the extra hook is added to the line by law.

We Grow Increasingly Idle

THE FIVE-DAY WEEK has been a bugbear to many an employer, but think how near we have come to it already. A hundred years ago the workman labored for 12 hours a day for six days a week, and in return got shelter, food and clothing and not much of any of them.

Now in many industries the 44-hour week is common, so that the step to 40 hours is short.

And the employers' habits have changed. The afternoon off for golf, the winter vacation in addition to one in the summer, the week-end that begins on Friday afternoon—how many are shocked by these?

The sage Jacob Ruppert, owner of the New York American League baseball team, thinks his possession, worth \$3,000,000, due to the added leisure of Americans. And golf, he says, has added to the attendance at baseball parks. Interest in one has aroused interest in the other.

The Battle for the Banking Bill

By CARTER GLASS

U. S. Senator from Virginia and Former Secretary of the Treasury

WHAT is called the McFadden-Pepper bank bill, passed in the closing days of the 69th Congress, while an extremely important piece of legislation, is not in any sense a self-contained banking measure. In short, it does not pretend to provide a new scheme of banking or greatly alter the existing system. On the contrary it fragmentarily makes certain desirable amendments of the National Bank Act so as to enable national banks to compete more effectively with state institutions upon a plane of greater equality. There is serious question whether these changes in all respects are conducive to sound banking or rather intended to popularize the national system by expanding its scope and multiplying its activities.

The bill as it passed Congress and became law was notable in greater degree for what was added by the Senate to its original form and what was stricken from it by the Senate than for anything the measure contained at the start of its eventful career.

The Battle Issues

THE two provisions around which the memorable legislative fight raged were:

The Hull branch banking scheme embraced in the House bill, which the Senate positively refused to accept and which the House finally abandoned, and the indeterminate charter grant to federal reserve banks, which the Senate inserted in the bill and which the House conferees obdurately resisted, but which the House finally agreed to. On both the bitterly controverted questions which stirred banking and business circles, and which staged one of the hardest and most prolonged parliamentary contests in the history of Congress, the Senate completely prevailed.

The genesis of the bill may easily and briefly be traced. The national banks of the country were becoming so insistent and persistent in their complaints of inequality of opportunities to do business in competition with state banks as to disturb the Comptroller of the Currency at Washington. The number and importance of national banks surrendering their charters and transforming themselves into state institutions was becoming progressively apparent. From October 31, 1924, to February 3, 1927, state banks had acquired 275 national banks with resources aggregating \$1,140,773,793.

In some quarters actual fears were entertained for the continued strength and efficiency of the federal reserve system being thus gradually weakened by withdrawals; but this aspect of the problem was either unconsciously exaggerated or else, for purposes of relief, accentuated by propagandists, who failed to take into account the establishment of new national banks. At all events, the Comptroller of the Currency, having vainly in his annual reports recommended various alterations of the National Bank Act to relieve the situation, finally ventured to have prepared in his office a measure proposing to make certain amendments to the existing



This resume of the McFadden-Pepper Banking Bill, passed by Congress at its session just closed, by Senator Carter Glass is of unusual significance. As chairman of the Banking and Currency Committee of the House in 1913, he sponsored the Federal Reserve Act which so successfully enabled this country to finance the war. It is fitting that, 15 years later, he had so decisive a part in securing the extension of the charter of the Federal Reserve Banking System in the passage of the Banking Act of 1927.

statutes, the design of which was to place national banks on a parity with state banks in the field of competition.

The measure thus drafted in the Comptroller's office, with the aid of Deputy-Comptroller Collins, was transmitted to the Chairman of the Banking and Currency Committee of the House of Representa-

tives, by whom it was introduced and became known as the McFadden bank bill. The chief provisions of the bill may thus be summarized:

An amendment to the National Bank Act to facilitate the consolidation of state and national banks and the conversion of state into national banks, eliminating certain intermediate processes which theretofore had prolonged such transactions.

Amending the National Bank Act so as to give national banks indeterminate charters instead of charters for 99 years.

Amending the revised statutes so as to authorize national banks to buy and sell "investment securities" in a limited amount and under definitions to be prescribed by the Comptroller of the Currency.

This latter proposed amendment provoked antagonistic criticism to the effect that it was a new departure, proposing to launch national banks into a dangerous speculative field. The answer to this was that national banks were already doing such business on an enormous scale under existing law and had been for many years, under the provision of the statutes authorizing national banks to discount and negotiate promissory notes, drafts, bills of exchange "and other evidences of debt."

The Comptroller's office advised the Congressional banking committees that the business of national banks in this particular line aggregated \$6,000,000,000. Hence the amendment to this statute made by the measure under consideration was restrictive rather than expansive, in that it placed a limitation of 25 per cent of the unimpaired capital stock and 25 per cent of the unimpaired surplus of national banks as the total permissible investment and likewise for the first time authorized the Comptroller of the Currency to make regulations and to prescribe definitions of the term "investment securities."

When Experts Disagreed

OTHER proposals, in summary, were:

An amendment to the revised statutes authorizing the declaration of stock dividends by national banks.

An amendment to section 5200 of the revised statutes, restrictive in one sense and expansive in another. In its restrictive aspects the modification touched the 10 per cent limitation on bank loans to individuals, concerns and corporations, so as to bring certain endorers who are also owners of discounted paper within the limitation prescribed. This proposed amendment was expansive in that it authorized bank loans to individuals, corporations, concerns and persons to a very much greater extent in the matter of livestock and certain staple products of the farm.

This provision being regarded by its proponents as one of the incidental and inevitable attempts at "farm relief." There were other alterations in this revision of section 5200, as to the exact meaning of which experts were disagreed and Congressmen could not understand, nor anybody else for that matter.

An amendment to the Federal Reserve Act proposing to make eligible for rediscount at federal reserve banks pretty much all paper made eligible by the National Bank Act for discount by member banks of the federal reserve.

An amendment to the National Bank Act extending the period for authorized loans on improved urban real estate from one to five years. This proposed alteration provoked wide and pronounced antagonism among some of the experts in banking practices, who protested that such an authorization had no proper place in commercial banking. The answer which seemed sufficient to the committees of Congress, as given by some experienced bankers and by the office of the Comptroller of the Currency, was that five-year real estate mortgages were more liquid than one-year mortgages authorized by existing law.

The Final Amendment

AND finally, an amendment to the National Bank Act authorizing national banks to establish a limited number of branches, confined to the city, town or county of the parent bank, in such states only as permitted branch banking to state institutions.

Various minor amendments were proposed, but the foregoing enumeration embraces the salient features of the measure prepared in the Comptroller's office and known afterwards as the McFadden bill.

When the bill came up for discussion in the House, after being favorably reported from the Banking and Currency Committee, certain amendments were proposed to the branch banking feature of the measure by Representative Morton D. Hull of Illinois, which proposals thereafter became famous or infamous, considered from different points of view, as the "Hull amendments."

These proposed amendments not only prohibited national banks from establishing branches, subsequent to the passage of the Act, in states authorizing branch banking; but prohibited forever the establishment of branches by national banks in the 26 states which do not now authorize branch banking. Moreover, these amendments were designed to prohibit branch banking among state banks in the 26 non-branch-banking states by excluding from the federal reserve system for all time, regardless of future action by state legislatures, state banks establishing branches after the passage of the pending bank bill.

"To Stop Branch Banking"

IN A sentence the Hull amendments were deliberately designed to "stop branch banking in its tracks," and to prohibit a national bank not now having a branch from ever establishing one. They were also designed to prohibit the extension of branch banking among state institutions except under penalty of exclusion from the federal reserve system.

It has repeatedly been asserted and never denied that the Hull amendments were prepared by a group of bankers in Cook County, Illinois, largely engaged in what is known as the "chain banking" business. But, by whomsoever designed, when these amendments were introduced on the

floor of the House, Mr. McFadden, chairman of the Banking Committee, made the fatal mistake of assenting to and accepting the amendments; and they were embodied in the measure as it passed the House.

Meanwhile the proponents of this vicious legislation got it approved, without a word of dissent, by the American Bankers' Association in the closing hours of its annual convention at Chicago. There was not a word of discussion by the members of the Association—only a plausible explanation by the hired propagandist of the Cook County group, whose appearance before the Bankers' Association in such circumstances was unprecedented.

The American Bankers' Association having thus unanimously approved the Hull amendments, it was not difficult to enlist the sympathetic action of certain trade bodies and credit associations, naturally not skilled in banking technique. This approving action, generally speaking, was taken in utter ignorance of the real meaning and intent of the Hull amendments and upon the bare assumption that something unanimously approved by the American Bankers' Association must be desirable, since it was not then apparent that the Bankers' Association as little understood the real problem as those who blindly followed in its trail.

A Senate Committee Acts

WHEN the McFadden bank bill, in this menacing shape, went from the House to the Senate its progress was immediately arrested in the Senate Banking and Currency Committee to which it was referred. Protracted hearings were had, chiefly of banking groups, although a few representatives of trade bodies appeared before the committee. As a result of this consideration, section 9 of the House bill, relating to branch banking, was on my motion, stricken out altogether and quite a number of other alterations were made. The bill thus changed was reported to the Senate by Mr. Pepper, but the session ended before action was taken and the measure died on the calendar.

Early in the first session of the 69th Congress this bank bill as it originally passed the House was introduced as H. R. 2 and a few days thereafter was for the sake of convenience introduced in the Senate by Senator Pepper, the measure thereafter becoming known as the McFadden-Pepper bill.

It was promptly reported from the House Committee and, although vigorously fought by Congressman Beedy of Maine, Ogden Mills of New York, and others of the more discerning members of the House, it passed that body by a large majority, with the Hull amendments held intact.

Progress of the bill was again checked on the Senate side when it was referred to a subcommittee of the Banking and Currency Committee composed of Senators Pepper of Pennsylvania, Edge of New Jersey, and myself.

Thorough hearings were again had before this committee throughout which Senator Pepper seemed to be in an attitude rather favorable to legislation without the Hull branch bank amendments, if such legislation might be obtained, but he signified his intention to vote for the bill even with the

Hull amendments if legislation might not be obtained without them. Senator Edge, a new member of the committee, held back until he could learn something of the problem. He was not long in reaching the conclusion that the Hull amendments were atrocious and from that moment he stood with me in belligerent opposition to the Hull amendments.

"Going to Work" on Congress

THE American Bankers' Association, not having altered its attitude taken at Chicago, was heard through its official representatives in favor of the Hull amendments; and certain trade bodies, not having further considered the matter, again followed in the wake of the bankers in advocacy of the amendments.

In the last analysis, however, when driven point-blank to the necessity of having to assert the soundness of this branch banking scheme or to admit its incredible injustices, every person heard, with a single exception, was compelled to confess that the Hull amendments could not be defended in logic or equity but must be advocated only on the ground that the House of Representatives would pass no banking legislation at all on the subject of branch banking unless it should embrace these Hull amendments, designed and pertinaciously pressed by the Cook County group and such straggling bankers as had been beguiled by this group and its agents through marvelously organized propaganda.

As a result of these hearings and further consideration of the bill the subcommittee authorized Senator Pepper to redraft its branch banking features, and to reassemble them and, specifically, to extirpate the so-called Hull amendments which sought to "stop branch banking in its tracks."

Senator Pepper Rewrites

THIS Senator Pepper did with rare skill. As reorganized, the branch bank provision of the bill authorized, in brief, the establishment of branches by national banks in all states now permitting or which may hereafter permit branch banking among state institutions. It limited branch banking hereafter among national banks to one branch in towns of not less than 25,000 population, two branches in towns of not less than 50,000 population, and in towns of 100,000 population and more such a number of branches as the Comptroller of the Currency in his discretion may sanction.

In addition to this vital change in the branch banking feature of the bill the subcommittee on my motion provided for an indeterminate charter for the federal reserve banks. The purpose of this was to avert a passionate and disastrous political controversy over the banking problem at some succeeding election of such a protracted nature as to extend beyond the time appointed for charter expiration.

The Senate also eliminated that provision of the House bill which sought to require federal reserve banks to classify as eligible for rediscount all paper which might be lawfully discounted at member banks.

The Senate subcommittee likewise attached a provision to the bill authorizing national banks to issue shares of stock in less denominations than \$100 each with a

view to effecting a wider distribution of bank stocks and authorized the Federal Reserve Board to discontinue as well as to establish branch federal reserve banks. Other additions and alterations were made by the Senate subcommittee in the bill as it came from the House.

However, the two chief things done were (1) to eliminate the Hull branch banking amendments with their consequent evil effect of using the federal reserve system as an instrument of coercion of the states, and (2) to give indeterminate charter rights to federal reserve banks, thus stabilizing financial and business conditions by insuring the perpetuity of this great banking system.

The country is familiar with the ensuing events concerning the progress of this bill. The Senate sustained the action of its Banking Committee by overwhelmingly approving its work and sent the reconstructed bill to conference. Singularly enough, the provision of the measure, as redrafted and passed by the Senate, which drew instant fire from the House side, was the provision to make sure the perpetuation of the federal reserve banking system.

Mr. McFadden, chairman of the House Banking and Currency Committee, immediately gave out a public statement to the newspapers, under date of March 17, protesting against this extension of charter rights as calculated to endanger passage of the McFadden bill. He desired to defer action on this question until he and his committee might have an opportunity to revise the Federal Reserve Act in certain other respects, by eliminating the so-called "war emergency amendments" and by putting an end to certain alleged "encroachments upon the banking territory of member banks."

An Ambush Foiled

MR. M'FADDEN insisted that the federal reserve banks had gone "far afield" from their original functions and must be curbed before consideration should be given to charter extension. One House conferee refused to sign any conference report or to agree to any extension of charter privileges of federal reserve banks unless a provision should be embodied for a sweeping congressional investigation of the entire reserve system.

In the conference of the committee of the representatives of the two houses to reconcile disagreeing votes the House conferees persistently refused every overture made by the Senate on the outstanding controversial questions. They insisted on the Hull amendments and on either limiting or eliminating the charter extension for federal reserve banks. In fact, they would agree to nothing; at least they would not "stay hitched" long enough even to sign a report.

Until one of the obdurate House conferees got too ill to function and another conferee was substituted, the conference committee was totally unable to report even a disagreement to the respective houses. When such a report was finally brought about by the pressure of House leaders and the expert management of House parliamentarians the contention of the Senate conferees was confirmed. The House, by 66 majority on a recorded vote,

eliminated the atrocious Hull branch bank amendments from the bill and by a separate vote, insistently demanded, approved indeterminate charters for the federal reserve banks 298 to 22. The opponents of this provision in the House could not begin to muster enough votes to order a roll call. And yet, House conferees had assured Senate conferees that there was bitter opposition in the House to charter extension for federal reserve banks!

Enemies Hold War Dance

WHEN the bank bill, radically modified by the Senate and approved in this form by the House, went back to the Senate for concurrence in certain inconsequential alterations, the enemies of the federal reserve system seized upon very conceivable objection to the bill to delay the passage and ultimately to kill it.

One Senator who had twice voted against the Hull amendments last June made a speech of an hour for them in February. It is safe to assert that he did not know anything more about the bill after his speech of an hour in February than he did when he went on record against the Hull amendments in June. He simply found in February that his little bloc wanted to kill the bill and it seems never to have occurred to him that it made any difference how he had voted in June.

The purpose, through sheer dislike of the federal reserve system and its administration, to filibuster the bill to the death was so transparent that, for the first time on a domestic question, the Senate agreed to apply cloture. This was done and the bank bill, as reconstructed by the Senate committee and slightly modified by the House, became a law by a vote of 71 to 17.

Finally, in this connection, it may be added that there is not one semblance of truth in the repeatedly published statement that there was any "bargain" between the proponents of the bank bill and the so-called "farm relief" bill that involved an agreement of a single Senator to vote for either bill in return for a vote for the other. On the contrary, every bank bill Senator alleged to have been party to the "bargain" voted against the farm bill and every farm bill Senator alleged to have participated in the "bargain" voted against the bank bill.

The simple truth of the episode is that Mr. McNary, having charge of the "farm relief" bill, had apparently outmaneuvered those having charge of the bank bill in the matter of precedence, whereupon I served notice that there would be no consideration of farm relief legislation unless and until a definite time should be fixed for a final vote on the bank bill.

No "Trading"

THIS ALARMED the farm bill advocates and compelled them to agree to cloture, insuring a vote on the bank bill. The managers of the latter measure at the same time, as far as they individually were concerned, agreed to cloture for a vote on the farm bill. But in neither case was there the remotest suggestion that when these respective votes should be had any Senator was under any obligation, implied or expressed, to vote for either the bank

bill or the farm bill. As a matter of record the bank bill got nearly twice as many votes as the farm relief bill.

Aside from whatever advantage to the banking community this McFadden-Pepper Act may prove to be, its consideration and enactment by Congress furnishes an unprecedented example of the danger of precipitate and unenlightened action en masse. The American Bankers' Association, with absolute unanimity, formally approved this bank bill with the Hull branch bank amendments upon an ex parte and totally selfish statement of its contents and without any real conception of its meaning.

Through the influence of this association's legislative committee other bodies did the same thing. The Secretary of the Treasury, the Comptroller of the Currency and his predecessor and the Federal Reserve Board by one majority gave their sanction to this proposed legislation upon varying considerations.

Even after they had learned more definitely about the nature of the bill they persisted for a while in their advocacy of it apparently upon the theory that Congress might not be relied on to pass a better bill; and, inasmuch as legislation of some kind was badly needed, it were better to have a bill half bad and half good than no legislation at all!

Barriers Disappear

THUS the obstacles and forces in the way of proper and effective legislation seemed all powerful and insuperable when the Senate Banking Committee first checked the precipitate progress of this McFadden bill. Nevertheless, a fight was made by those who believed in sound legislation only. The American Bankers' Association in national convention at Los Angeles, by a vote of nearly two to one, reversed itself. The United States Chamber of Commerce readjusted itself. The National Association of Credit Men, upon a better understanding, reversed itself. The Federal Reserve Board reversed itself. The Comptroller and the ex-Comptroller readjusted themselves, as did also the Secretary of the Treasury.

So did the House of Representatives reverse its previous action on the Hull amendments; and there is convincing reason to believe that it would have done so months sooner had not its conferees maneuvered themselves into an almost inextricable parliamentary tangle.

It should not be said that any of these associations or officials were ardent advocates of the Hull branch bank amendments to the McFadden bill. They were simply induced to believe that no measure of relief could be gotten through Congress that did not contain these amendments. When they had gotten their true bearings, these associations and important public officials fought as hard in the final stages against the Hull amendments as they had theretofore fought for them. And the service of Senator McLean, chairman of the Senate Banking and Currency Committee, and Senators Pepper and Edge of the Senate subcommittee, could not well be exaggerated. Vice-President Dawes likewise contributed prodigiously to the strategy of this event.



Geography's Part in Factory Sites

“WHY DID you establish Cheney Brothers at South Manchester, Connecticut?”

This was the question I asked the great silk manufacturing firm. I was asking the same question of a hundred other leading industries.

“The Cheney family were originally farmers,” came back the reply, “but the brothers found out they liked manufacturing better. So they started it in the most natural place—near where they lived.

Location—the Nearest Shed

“IT IS true, however, that most of the silk firms were in New Jersey, and that the trend has been to Pennsylvania towns where quieter labor is available.”

From the great majority of the hundred other companies came the same reply. The founders had started the business in their home town. They had studied products, methods, possible customers; but the location of the plant had been decided upon with but little argument, if any. The nearest shed, building or industrial tract would do. It did do—for a time. In growing centers of smoke and slum, themselves congested in the small Northeastern part of the country, American industry developed.

From the distant borders of the country trainloads of rich resources made the long, slow haul to the East to be manufactured, and then were shipped back thousands of miles as finished products. In the crowded centers of manufacture, overhung with smoke and shot through with industrial

By **JOHN A. PIQUET**

Illustrations by A. E. Kromer

strife, massed factories and squalid tenements fought each other for room and air.

Rising production costs were outdistanced only by the increasing margin which went to the account of distribution to the ultimate consumer.

Trust-busting, strikes, bread-lines for the city poor, the depopulation of many rural areas, further warned the nation that in its mad race for wealth the costs of making money and of spending money were mounting too high.

It began to be seen that the national layout, the geography of industry and population, was ill-balanced. Uselessly long hauls, great spreads between materials and factory, and factory and markets, dangerous congestion in industrial cities, all told the same tale—industry had grown without regard to geography and humanity.

Production, distribution and labor troubles telegraphed the blazing words to many a comfortably settled industrialist:

“The only solution for your troubles is the last resort—you must pull up stakes and move. You can escape intolerable conditions and high costs only by locating scientifically where costs are lower and men happier at their work.”

So we have seen in these last ten years a veritable shifting of the economic picture, a hegira of whole industries to more favored areas, a tapping of swollen and

strife-filled cities to let out to the bright countryside many a fevered industry.

We know how cotton mills have moved down South or established branch plants there; we know that silk is moving to Pennsylvania; that the shoe industry is settling in small towns; that iron and steel is locating at every point of the compass, and even back to the Eastern seaboard where it started; that the paper-mills are invading Canada and the coming South; that on the distant Texas border New York women's wear branch plants hum along the Rio Grande; that in every section a packing plant challenges the once all-powerful giants of Chicago and Cincinnati; that even our towering corporations decentralize production or assembly even as they concentrate ownership and direction.

What are the reasons for the silent revolution now going on in the physical structure and appearance of the nation, and how does it affect you and me, whether realtor, merchant, worker, manufacturer or consumer?

These One-Industry Towns

ONLY a few years ago a visitor at the Kelly-Springfield Tire and Rubber plant in Akron would have noticed the usual conditions in some of our one-industry towns. Here a great cluster of firms, all in the same line, competed together for room, labor, fresh water, customers. These one-industry towns—Akron, Paterson, Lynn, Holyoke, etc.—were useful when the industries were young and wished to be together as a convenient place for all buyers and

sellers to come, and also as a central spot for labor skilled in the particular industry.

But the Kelly-Springfield Company did what other large and small concerns might well do. It took a map of the country, and thereon it put all possible factors connected with the ultimate profit and loss accounts—markets, sources of supply, power and fuel, labor costs per unit of production, transportation, water supply for rubber tire making, living conditions—and then it figured out in what town on that map favorable conditions were most concentrated.

The spot was not Akron, although for many important tire and rubber concerns and indeed for many other lines of industry, Akron has proven the right spot.

For the Kelly-Springfield Company, with a large part of its market in the East, with a desire to get away from rising labor costs and troubles found in one-industry towns, the locality that best met its needs turned out to be the small city of Cumberland, Maryland.

Here was built a plant capable of employing 15,000 men, a monster affair of concrete and steel, laid out for simplified operations. Transportation is quick by rail to all southern, eastern and northern points, while the situation of Cumberland, which is as far west as Buffalo, means convenient service to the Mid-West.

Coal at Cumberland's Door

CHEAP and enormously abundant coal is at Cumberland's back door. Rubber supplies come by boat up the river, which itself furnishes plenty of fresh water. Most important, the area has a steady and intelligent population, mostly American born, which responds eagerly to a square deal by employers.

The living conditions, the attractive bungalows, community affairs, recreation for rich or poor, have been described to the writer by workers, merchants and manu-

facturers not originally citizens or natives of Cumberland as being equal or superior in enjoyment and cost to the more dazzling but lonelier and more costly social life of our large cities.

The heavy costs of the new plant and the moving were at first reflected in the earnings of the company. But within a few years the vastly lowered production and marketing costs began to catch up on the invested overhead, and the wisdom of the relocation has been proven.

Not only labor, material, and fuel costs were reduced in moving, and also transportation costs, but the advantage of a new, modern factory was made certain. For while a concern can build a modern plant without having to move to another city to do it, yet the fact remains that few do it or feel like doing it except where they have to—and relocation often causes this.

Low Costs and Modern Plants

PERHAPS the advantages of a modern plant are not realized until one is informed that the stupendous improvements in machinery, in mechanical handling, in the continuous operation method, in the maximum of air and light for the workmen, in economical loading and unloading, adequate storage, room for expansion—that all these fundamentals of our large-scale, low-cost methods which lie in large part at the base of our prosperity—are not possible except in modern and spacious plants.

An example of this is the case of the Continental Gin Company of Birmingham. Here were six separate and scattered plants, from Connecticut to Texas, producing cotton-gins in medium quantities.

These plants decided to combine as to sales and management, but to run on individual production as before. They soon realized that a better way was open. Three of the plants were to discontinue, merging all operations in one big modern factory in the most strategic spot.

Birmingham was chosen because of its excellent supplies of iron and steel and

timber, its labor, and its central location as regards markets. The other plants were to continue serving distant points they were much nearer to.

A prominent engineering and construction firm was engaged and advised them on the new policy, the new location, and finally on the new factory. It is estimated that very large savings in cost and at the same time a much improved product are the results of the new plant at Birmingham.

More Striking Economies

EVEN more striking economies, because reduced to actual dollars and cents, are seen in the relocation of a storage battery manufacturer in New York City to the nearby Bush Terminal on the Brooklyn waterfront. Again, this is a case of moving into a modern, well-planned factory building, as well as moving out of the congestion and cramped facilities so often found in old industrial towns and cities, whether large or small.

In Manhattan (New York City proper), the manufacturer paid 50 cents a square foot a year for 20,000 feet. In the Bush Terminal, which is a large factory area providing space, heat, light, transportation, power, etc., he took an equal amount of space at a rental of 60 cents a foot, or \$2,000 a year increase in cost. Did it pay?

In Manhattan he needed two trucks to haul his products to and from the railroad, at an annual cost of \$8,000. In his new location direct loading facilities made cartage unnecessary. As he had a five-year lease, this was a saving of \$40,000, or four times the extra \$10,000 rent he was paying.

In his former non-fireproof building he paid \$2,000 fire insurance premiums for \$100,000 protection. In the terminal, made of steel and concrete, he paid \$150 a year for the same protection, a saving of \$9,250 over the five years.

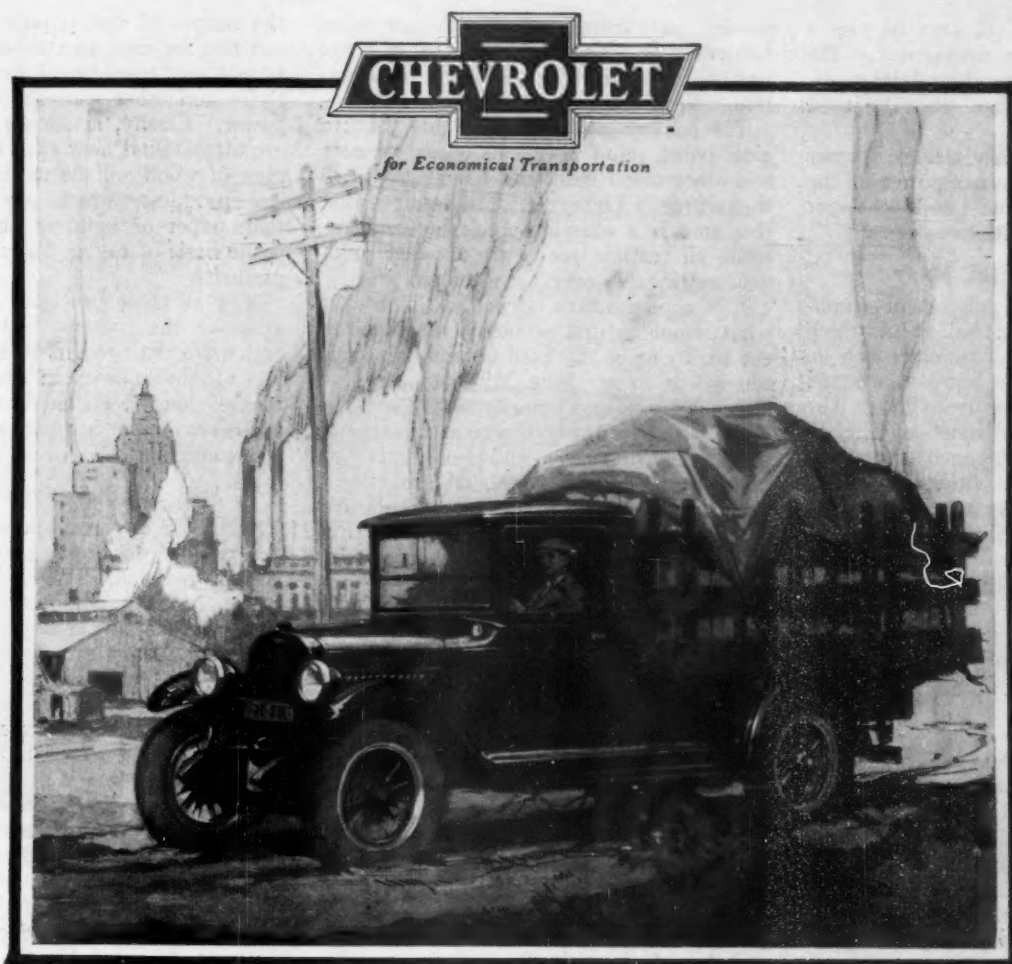
His operations required live steam 24 hours a day, at 100 pounds pressure. In the old location he got neither the full pressure nor the 24-hour service. At the Terminal he was able to get both. For

Better housing conditions for labor is one factor which makes factories relocate



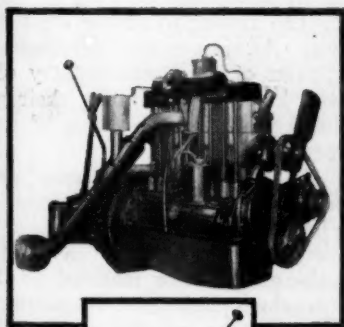
The famo
valve-in
has been
more de
with ev
operatin

W



1-Ton Truck Complete With Stake Body \$680 f. o. b. Flint, Mich.

Quality Features of the world's most popular gear-shift truck!



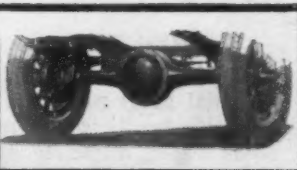
The famous Chevrolet valve-in-head motor has been made even more dependable—with even greater operating economy.



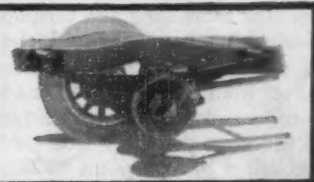
A modern, 3-speed transmission provides proper gear ratios for maximum power under every condition.



A husky, 6" channel steel frame is a contributing factor to the long life and faultless performance of Chevrolet trucks.



The rugged Chevrolet rear axle possesses abundant strength and stamina for the heaviest haulage duty—giving faultless performance under every condition.



Heavy, extra-leaved, semi-elliptic springs—set parallel to the frame—effectively cushion the load and chassis against road shocks.

Chevrolet is the world's most popular gear-shift Truck because it offers, at amazingly low prices, scores of quality features not found on any other haulage unit in the low price field.

Included in this list are numerous recent mechanical improvements of the utmost importance, such as—AC oil filter and AC air cleaner to protect the motor from excessive wear and to maintain at its peak efficiency the smooth, effortless power for which Chevrolet's motor has

long been famous all the world over. Other new features are an improved transmission and new gear-shift lever; a new and more conveniently located emergency brake; crowned fenders; a new radiator of greater cooling capacity; a new 17-inch steering wheel—and even bullet-type headlamps have been added to give a distinctive touch of smartness. If you want the utmost in commercial transportation combined with true economy, see the nearest Chevrolet dealer.

CHEVROLET MOTOR COMPANY, DETROIT, MICH. Division of General Motors Corporation

1-Ton Truck with Stake Body \$680. 1-Ton Truck with Panel Body \$755. 1-Ton Truck Chassis Complete with Cab \$610. 1-Ton Chassis \$495. 1/2-Ton Truck Chassis \$395.

In addition to these low prices, Chevrolet's delivered prices include the lowest handling and financing charges available.

All prices f. o. b. Flint, Mich.

World's Largest Builder of Gear-shift Trucks

When writing for further information regarding CHEVROLET TRUCKS please mention Nation's Business

deliveries in the New York area he uses a skilled trucking service managed by the Terminal, at the lower cost and infinitely less time and bother, than when he used his own trucks.

Finally, by buying his electric power through the mass purchasing power of the Terminal he can save from 1 to 2 cents per kilowatt hour, a substantial economy.

Bush but One of Many

THE Bush Terminal is only one of a number of planned industrial areas which are the salvation of many plants which do not wish to leave the city, but cannot stand its congestion and disadvantages. The Central Manufacturing Districts of Chicago and Los Angeles, the planned areas and buildings in other large cities, and small ones, too, all attract eager relocations from crowded, cramped or inefficient factories.

A company making rubber goods, west of Chicago, studied the economic map and found its market to be further East. It also wanted cheaper electric power. After some hunting around, it was richly rewarded by this combination of factors:

In Buffalo, which is centrally located for distribution to the majority of customers, was found a concern whose by-product was the kind of rubber needed by the moving company. Adjacent to it was a vacant factory. Finally, Buffalo has very cheap power. The western company moved into the vacant plant, and gets its material, power, and market distribution as economically as is possible in any place in the country.

It might be well at this point to give the main reasons why large numbers of industries are moving, or establishing branch plants:

1. To get away from labor troubles, found usually in large cities or one-industry towns.
2. To get better facilities all around, by moving out of a big city to a suburb, or to a planned area.
3. To get nearer to the chief markets.
4. To be nearer materials or power and fuel.
5. To be near complementary plants.

The last development promises much for lower costs and the upbuilding of regional areas within which a diversified list of plants use each other's products in large part, thus cutting freight bills and increasing service.

Moving Toward the Customer

FOR example, a large Indiana furniture manufacturer found that his most important customer was a wholesaler in Iowa. He figured out it would pay him to establish a branch plant near the wholesaler. When this was done, it was found the quicker service was increasing the business of the wholesaler in that line, and that therefore the glass and mirrors supplied from a distance would have to be made available more quickly and in larger amounts. So the glass company was quite willing to establish a branch plant to supply mirrors to the furniture branch factory within a stone's throw.

Thus we have two factories, one selling to the second, and the latter furnishing the wholesaler, and all in one city. The combination means much better work and

service and correspondingly better sales. Louisville is forging ahead, due in large part to its excellent complementary situation. Nearby are many hardwood forests.

This has brought furniture plants. In turn glue, paint, paint chemicals, glass, veneers, and other allied industries have established themselves in Louisville. The result is that this area is a complete cycle in furniture, while all surplus goods are finished products marketable over a wide area.

A complementary string of plants in what is one natural economic region forms the backbone of the Ford economies. From the woods in northern Michigan south to his coal mines in Kentucky and West Virginia, with a railroad, the giant automobile plant, blast furnaces and iron and steel mills, parts factories, etc., all are related one to another and as near geographically as conditions will permit. It is an admirable piece of work. Mr. Ford knows his economic geography as well as he knows mechanics.

Ford Has No Fixed Scheme

YET he is wedded to no particular theory of plant location. Other important parts and accessories plants are located outside of this complementary region, because they supply distant assembly plants at a much greater saving, due to the different classification on the different stages of the building of an automobile. Certain parts are made at St. Paul, for example, for shipment Westward because the rate for the car minus these parts is lower from Detroit, and the rate from St. Paul to the assembly plants lower, than if everything was done at Detroit.

Is superpower going to dot the farms with factories, and bring a new millennium, as the enthusiastic predict? Students of scientific plant location are not foolish enough to answer such a sweeping question. The prophecies probably sprang in part from Mr. Ford's repeated statements that he would place factories in the country, employes working in them in the winter-time and on the farms in the mild weather. Yet in every one of his numerous suburban or country plants no such thing is happening, except in a very few cases. The age of specialization is against it.

Yet there is no doubt two prodigious forces, almost unknown fifteen short years ago, will remake the city and country map of the United States, slowly but surely. These are, first, the great strides now being made by chemistry and research work generally; and second the full and co-related development of all power sources—coal, water, oil, gas, tides, and the possible future discovery of the greatest of them all, the control of atomic energy.

What Engineers Forecast

ENGINEERS are predicting new industrial areas producing at low cost, on the following basis: to make power, coal needs water; therefore at rivers or lakes near coal districts we shall see aggregations of complementary plants in the following order:

Coal and water make electric power; coke and iron ore make iron and steel; coal-tar and other coal by-products make a line of goods such as perfumes, explosives, rouge, dyes, etc.; the surplus coke heats

the homes of the population; the power can also be used in steel-making, and will attract electro-chemical works, rubber factories and other concerns which use much power. Finally, as forests and coal mines are often found near each other, large supplies of wood will be used for their chemical products, which are more valuable than paper or building material—cellulose is the basis of rayon, fibers and some other products.

Now all these processes are in full operation at the present, but have not been organized and brought together. The making of superpower in this way has, of course, long been advocated by leading engineers, and it is reasonable to believe it will come soon.

Still Another Type of Power

BESIDES these coal power cities, another type of development related to power is also predicted. The late Professor Steinmetz, eminent engineer of the General Electric Company, stated that the full use of our abundant waterpower would not be adequately brought about through the large power-houses, dams, and reservoirs being built at heavy expense at the chief "heads" of water.

He claimed almost as great power possibility through the harnessing of innumerable small rivers and streams at each small fall with small and efficient turbines or wheels. Mr. Ford has, of course, demonstrated the possibility of that on the River Rouge, where five or six factories of medium size are operated by the current of the stream at as many falls. This may bring the spectacle of branch plants each working on some single article or part, strung throughout the countryside, and connected by good roads and trucks, or in many cases by present railways.

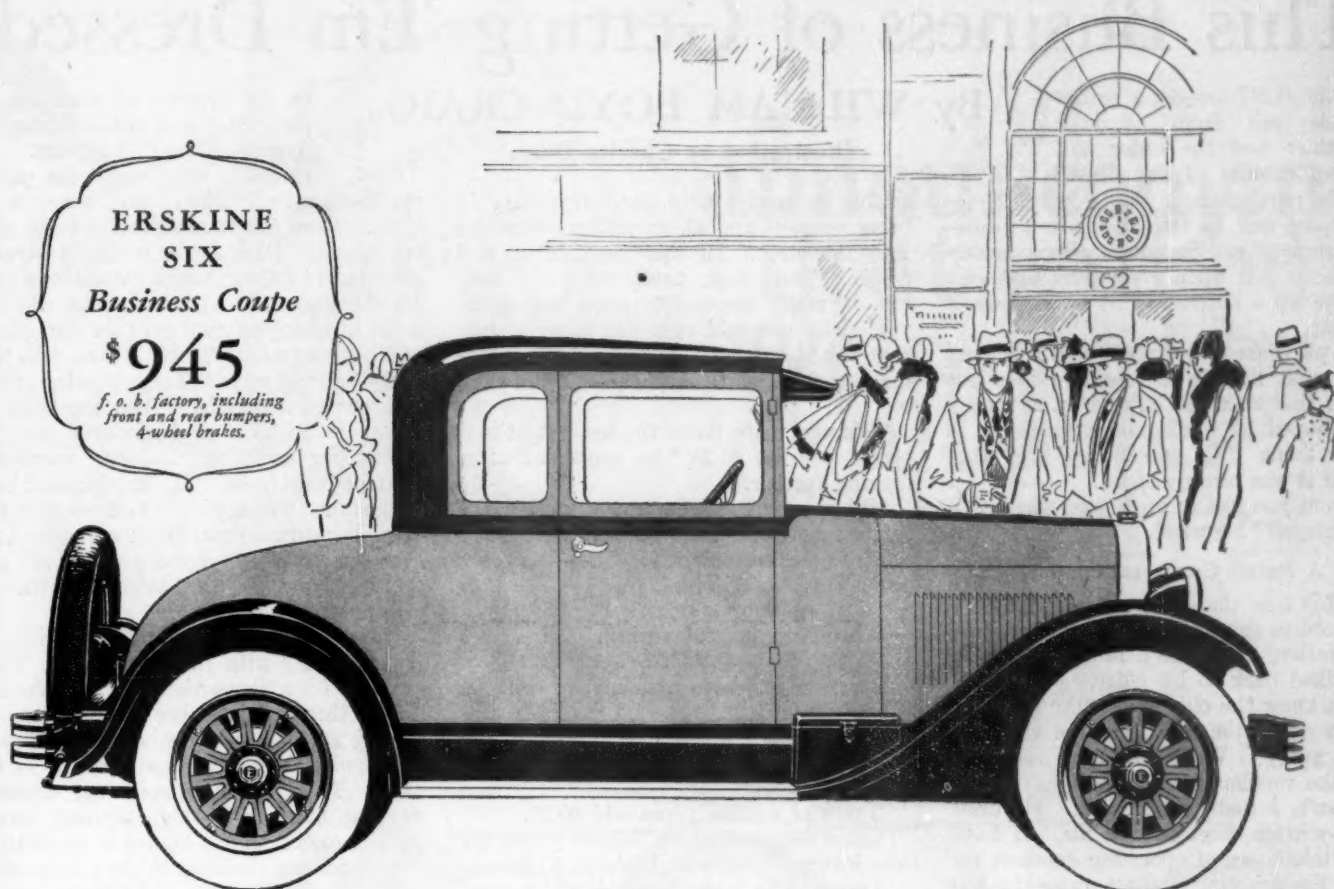
Calling for New Cities

BUT these call for new areas, new cities, new factories. What can cities now existent do to capitalize their desires for a sound, diversified and growing list of industries? The answer to that is a romance of post-war America—the development in many parts of our great country of communities which are planning their growth and using well their resources of material and men.

Just as the new kind of "trust" does not assemble a great many industries in the same line of business, but creates a "vertical" organization, taking in everything from the original raw material to the finished product, and often including means of transportation and also retail outlets, so does the modern industrial city plan for a diversified list of complementary industries. This means the utmost cooperation and self-sufficiency in the city's greater area.

Thus the national shifting of industry and population can be summed up in one sentence. Business is beginning to find out that in this great country of varied resources, markets, people, and distances, the man who knows his geography is going to prosper exceedingly more than the one who simply locates anywhere.

For the New Geography is not only dull names and places—it is a fascinating record of the earth's opportunities and of man's activities amongst them.



Now—the Ideal Car for Business Use

The new Erskine Six Business Coupe is a little aristocrat of high caste and low cost—the ideal car for business and professional men.

Designed by Dietrich, this car combines ultra-smart Parisian appearance with robust American dependability. Luxurious in finish and appointments, roomy and comfortable, it will leave you rested and fresh after a full day's driving. Economy is pronounced—in tests the Erskine Six has shown 20 to 30 miles per gallon of gasoline—1000 miles per gallon of oil.

Traffic difficulties are dispelled by this car—it will accelerate from 5 to 25 miles per hour in $8\frac{1}{4}$ seconds, turn in an 18-foot radius and park with ease. Full vision is assured by slender pillars and wide windows; four-wheel brakes provide positive-sure control and a steel body completes the Erskine's assurance of security.

There's *drive* in this car. With a full load, it

climbs an 11 per cent grade in high gear and sustains a speed of 60 miles per hour without grumbling.

Traditional Studebaker long life has been established in the Erskine Six. Its frame of heavy channel steel is powerfully braced by six sturdy cross-members. Vibration is reduced to a minimum—almost to the vanishing point.

The Erskine Six is a fine car in every sense. Its economy of operation, low upkeep, dependable performance, smartness and speed make it an ideal car for the business man—a business car your business needs.

Equipment—Erskine Six Business Coupe: Four-wheel brakes; full size balloon tires; two-beam headlights; bumpers, front and rear; oil filter; rear traffic signal light; cowl ventilator; one-piece windshield; thief-proof coincidental lock to ignition and steering; automatic windshield cleaner; rear vision mirror; hydrostatic gasoline gauge on dash; genuine leather upholstery.

ERSKINE SIX

Studebaker's New
 $2\frac{1}{2}$ Litre Car

This Business of Getting 'Em Dressed

I HAD JUST bought a ready-made suit from a retail clothier and the order had just been entered. I was pleased with the purchase and while I knew the retailer quite well, he treated me to a professional smile of satisfaction as all good salesmen do so well when everything that goes to make up a successful bit of business is complete.

The purchase came to \$50 and as I paid him I told him in a would-be facetious manner that that was quite a lot of money and I hoped he would not squander it in riotous living. He smiled and said that most of it was already spent.

"Would you like to know just where this \$50 is going?" he asked.

A Retail Conversationalist

I TOLD him that I would, decidedly. I wanted to draw him out, as he has quite a reputation, locally, as a conversationalist. We walked back to his office.

"You know the old saying, 'the coat and trousers do all the work, but the vest gets all the gravy.' Well, everybody seems to think the retailer gets all the 'gravy,' but he doesn't, actually," he began. He drew a type-written sheet from a file. "I have here a tabulation of operating expenses for 1926. Since your purchase came to \$50 even, I can tell you fairly accurately how much I am making on this sale and how much is going for fixed charges and what they are. That is, if it cost me 30 per cent of my total sales to operate last year, the same proportion will hold true, roughly, for any part of the total. That suit cost me \$35.29. That is a pretty stiff price for me to pay, but it is a standard, high-grade, nationally advertised garment."

"That means that roughly you make \$15 off the transaction," I interposed. He smiled at me in a kindly way, as if I were a child.

What Margin Includes

ALL MY operating expenses, plus profit, are included in that margin. Just for your own enlightenment, I would like to show you what those operating expenses are, which is another way of telling you how much it cost me to make that sale. Wages and salaries have to come out of that in proportion to our whole volume of net sales, of course. That will come to \$5.96. This item, and others I'll give you, are, of course, but approximations, but they are sound in theory, and an accountant would approve of them as estimates.

"Whether you call the salesman's pay salary or commission makes little real difference. He may be paid a regular salary but it is for actual selling of clothing so that from each sale he is deriving a certain amount of his pay. The customer can expect a rather high type of salesmanship from the man who sells him a suit since from \$3 to \$6 of the customer's money goes into the salesman's pay envelope.

"Another item which must come out of this margin is rent. Roughly that comes to \$1.10 in your case. It costs us a

By WILLIAM BOYD CRAIG

Illustration by Charles Dunn

sizable amount yearly for advertising to bring yourself and all our other customers into the store. In this instance, it cost \$0.99. You may think that is high but it really represents some saving to you, since it would cost you more to buy that suit if we didn't advertise. The manufacturer's advertising helps to do that, too.

"We can write down the heat, light and power item at \$0.25," he concluded after figuring further.

"When one man neglects to pay a bill, the amount he owes must be charged against other paying customers, for a deadbeat only passes his default along. We'll write that down at \$0.29.

"Then insurance of various kinds comes to \$0.22.

"Interest on borrowed money will be \$0.25.

He saw that I was a little amazed at the items as he enumerated them, but kept on with his figuring.

"Taxes of various types add \$0.28.

"Office supplies, which include paper for bills, invoices, tags, etc., come to \$0.12.

"Depreciation is another item which must not be overlooked. That will be about \$0.23 in this case.

Other Expenses Are High

THEN, too, there are a number of intangible items which all contribute to the cost of doing business. We will list these under the head of unclassified expenditures. The total there is \$2.26."

"Yes, but where does your profit come in," I asked innocently. "You must be up over the \$50 total now."

He took a sheet of scrap paper and tabulated the items he had mentioned as follows:

Suit's cost.....	\$35.29
Wages and salaries.....	5.96
Advertising99
Rent	1.10
Heat, light and power.....	.25
Bad debts.....	.29
Insurance22
Interest on borrowed money..	.25
Taxes28
Office supplies.....	.12
Depreciation23
Unclassified	2.26
Total	\$47.24

"Subtracting from cost price all expenses, I can find my profit.

"That difference, which is \$2.76, represents my profit which is hardly enough of a bank-roll to go in very thoroughly for the riotous living you mentioned," he said, smiling.

Looking to the Sources

IT MIGHT be interesting to you to consider some of the ways in which that \$35.29 which the suit cost me is spent. The wool in that suit started its career back

in the interior of Australia, or possibly it is a mixture from the Argentine and Australia. Included in that sum is the pay of

the sheep raiser. The shearer comes in for a bit. Then the transportation costs must be figured. Possibly it is the Australian government railway which carries it to port. Maybe some part of that money which is spent in transportation goes for the upkeep of the Australian Tariff Board which is busily figuring ways to keep American products out of Australia. Then the local exporter in Sydney or Melbourne gets his profits for handling, and the warehouse must be considered. The captain and crew of the ocean steamer have to have their toll. Marine insurance and bank exchange both extract a little bit more of that \$35.29, and the wool inspector in Australia or the Argentine takes a little more.

"Maybe wool importers figure in this country along with the mill buyers. Tariff accounts for a proportion of it. At the mill it goes through a number of operations including sorting, scouring, carding, inspecting, dyeing, either 'in the wool' or in the yarn. Then there is spinning, dressing, weaving, finishing, sewing, shipping, invoicing and so on. Japan figures in much high-class American clothing, in the silk lining.

"This suit," he said indicating a spring model, "has buttons made from tagua or corozzo nuts, from the Peruvian Andes. You know that they say these days that even our gunmen are imported.

"So you see a tremendous number of men have contributed some part of their labors toward putting a suit on your back. It's an army recruited from all over the world. When you stop to think of it, it gives you a better picture of the connection of the world's work when you realize how far-flung are the activities which go into such a prosaic bit of procedure as buying a ready-made suit."

I switched the conversation back to retailing and asked him if he anticipated any special sales in the near future, and if he wouldn't tell me how he arranged for sales some time ahead.

Sales and What They Mean

I DON'T hope for them ahead of time, I thought sometimes to make the necessary turn-over I do find mark-down sales necessary even at no profit at all. Extreme care in a mark-up will, I find, get around the necessity of too frequent mark-downs. The average mark-up for a cheap suit of ready-made clothing which will sell for \$20 to \$30 is just about 50 per cent. This decreases as the retail price goes up."

I told him I'd like to know what a clothing store, typical of the whole country, would have on hand as an average inventory. He said that that could not be answered directly as there were too many factors included. The community, the location, competition and dozens of local determinants figured that out for the individual retailer.

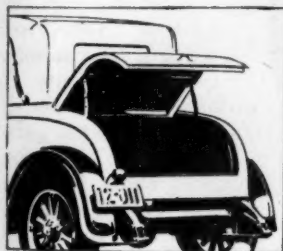
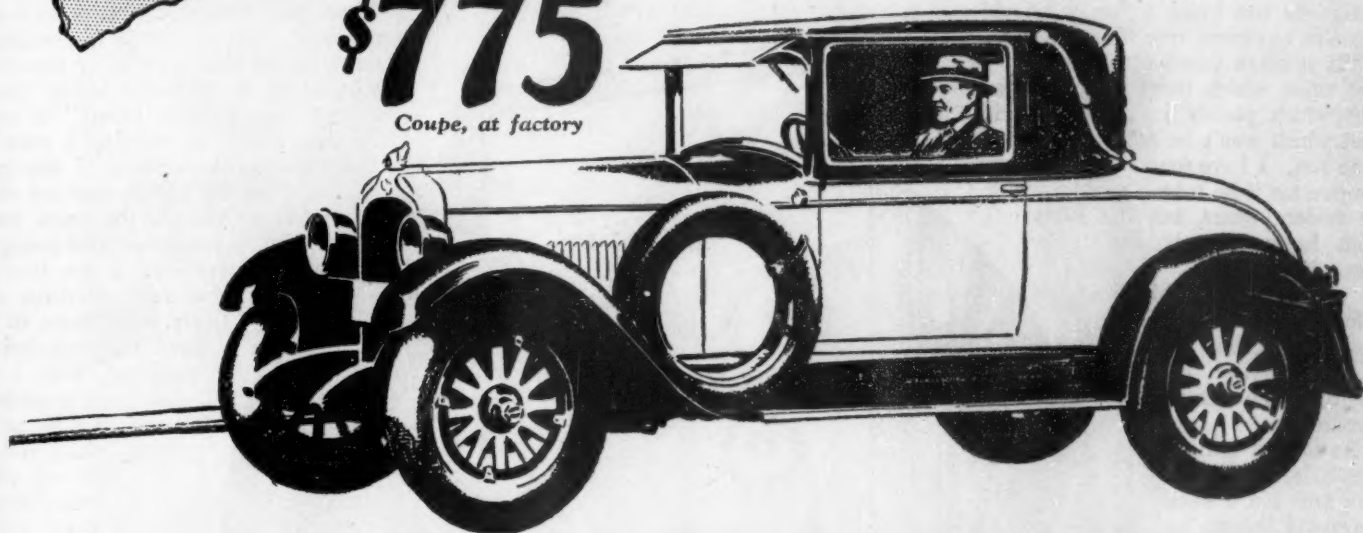
"And there's no fixed rule on what a clothing dealer will handle. He may han-



An
announcement
that will be
welcomed by
all Sales
Executives

\$775

Coupe, at factory



Ample space in the Coupe for samples, advertising literature or other material is provided under the rear deck cover which extends to the floor.

You can answer with definite finality the perplexing question of what car to buy for the use of salesmen by selecting the New and Finer Pontiac Six Coupe at its new low price—\$775 at factory.

Executives will welcome the enhanced prestige-building appearance of its Body by Fisher. They will appreciate the fact that its smooth, six-cylinder performance enables salesmen to work their territories, week after week, without fatigue or delay for repairs. And they will see that salesmen can make good use of the space it provides under the rear deck for samples or any other material they may need to carry.

Equally important, accounting departments will approve the thrift of the New

and Finer Pontiac Six. Cost sheets will reveal economies resulting from low first cost, low operating costs and low maintenance costs. And long life will reduce its depreciation, which is the largest single item of expense in the ownership of an automobile after the payment of its purchase price.

Stop in at the nearest Oakland-Pontiac sales-room. See the quality the coupe provides at its amazing low cost. Then remember that only the vast resources and facilities of General Motors could offer such a value as the New and Finer Pontiac Six.

OAKLAND MOTOR CAR CO.
PONTIAC, MICHIGAN

The New and Finer Pontiac Six, \$775 to \$975. Greater Oakland Six, companion to Pontiac Six, \$1025 to \$1295. All prices at factory.

PONTIAC SIX



When writing for further information regarding the PONTIAC SIX please mention Nation's Business

dle men's wear exclusively or he may include some lines for women. Men and boys' shoes are sometimes to be found in clothing stores, women's shoes and hose occasionally, and once in a while women's sport wear will also be included. I can remember not so long back when only occasionally would a dealer handle knickers. Almost always a complete line of haberdashery will be included and in this line the retailer probably finds his keenest competition. Most of the chain-store growth has been along this line. Shirts, hats, neckties, collars, hose-supporters, hat bands and so on are relatively simple to handle.

When a Customer Returns

WHEN you sell a man a hat that looks just right he is very likely to come back again. You would be surprised at the great number of times the prospective buyer will try on a new hat before a mirror and then turn to the salesman and say, 'How do you think this one looks?' If the salesman is a real expert, right there is where he can build future sales. The same is, of course, true for suits.

"It is often possible to sell a man a hat upon which there is a fair profit but which plainly isn't suited to him and which won't be satisfactory in the long run. I have found that a man will forgive me if he buys a necktie which he seldom wears, but the average man hates like thunder to be stung on a hat.

"Familiarity with his clientele is an invaluable aid to any retailer, but to none is it more vital than to the man who sells men's apparel."

I still had some curiosity left, so I asked him how old a necktie would become before it would be subject to a mark-down.

He said between a year and a year and a half in his shop, but that this would vary a little throughout the whole country. He picked out a modest black necktie of a well-advertised make and said: "This tie in plain colors is almost never subject to a mark-down. It is as stable as anything can be in the shop. It cost me \$2 and I sell it for \$3. This one with a fine dark blue stripe on a black background costs \$2 also but I mark it at \$3.50. The difference lies in the element of chance, which can be worked out mathematically, that exists in selling these two ties. The latter may be subject to a mark-down if it doesn't sell within a year. Brightly colored seasonal cravats are, of course, subject to even higher margin, depending upon chances for selling."

"I have three or four men I know well who come in to me every now and then and say: 'Fred, pick me out a

necktie which will suit my particular style of beauty. Something my wife will let me wear to church, and not too steep in price.' And with them, what I say goes. Because they put that kind of trust in my judgment, I try right hard to choose something that looks just right on them."

I wanted to know how long ahead of time he could anticipate style changes. He said that that varied, though as a rule they could be foreseen some six months to two years ahead of time. When I inquired where he looked for the first evidence of style trends, he said: "To the college boys."

He cited white tuxedo vests as an example of this. "While they have always been the thing to wear, yet they were not popular until a year ago, and it was the young fellows who began the thing. Fashions usually pass from the son to the father, as older men are usually more conservative and accept style changes later rather than sooner. In this particular community, derby hats have been fairly popu-

lar with the young bloods this winter. It is quite possible that they may be worn more by their fathers next winter than they are this, though that is not a sure thing. Like all style changes, it is a gamble.

"A department store differs from an independent retailer in that department store buying and selling can be worked out with a pencil by those in control some time in advance, much more so than it can be for the small retailer.

"We do our buying mainly through a resident buyer, thus saving the cost of a buyer's traveling expenses. This doesn't, of course, include all lines but our buyer does find some bargains for us."

Importance of Location

I WONDERED how important he considered location in retail clothing. He said that in his opinion, the clothier had to be right in the recognized retail district as competition had just about concluded the era in which a man would go out of his way to do his buying.

"As a retail community shifts, as it sometimes will, from one decade to another, the retailer has to shift with it or else change the quality of merchandise to suit the new wants of the dominant group," he said.

"The best lesson in retailing I ever had, I came upon by accident. I was traveling north for a little vacation of bass fishing, and on the train were a lot of insurance men going to a convention. I saw that they knew how to dress effectively, right down to their shoes. Talking shop, one man said, 'Why, I don't even have opinions any more on a lot of subjects where once I was sure of myself. I am willing to abide by decisions of others and pay for them. Take my clothes, for example. I used to think I knew what I wanted. Now I want my haberdasher to sell me what I ought to have, in his best judgment, and I stick to that. Believe me, it's a relief!'"

"And the others seemed to feel the same way about it. If they did, I asked myself how many others did. Today I try to make my store a relief to such men."

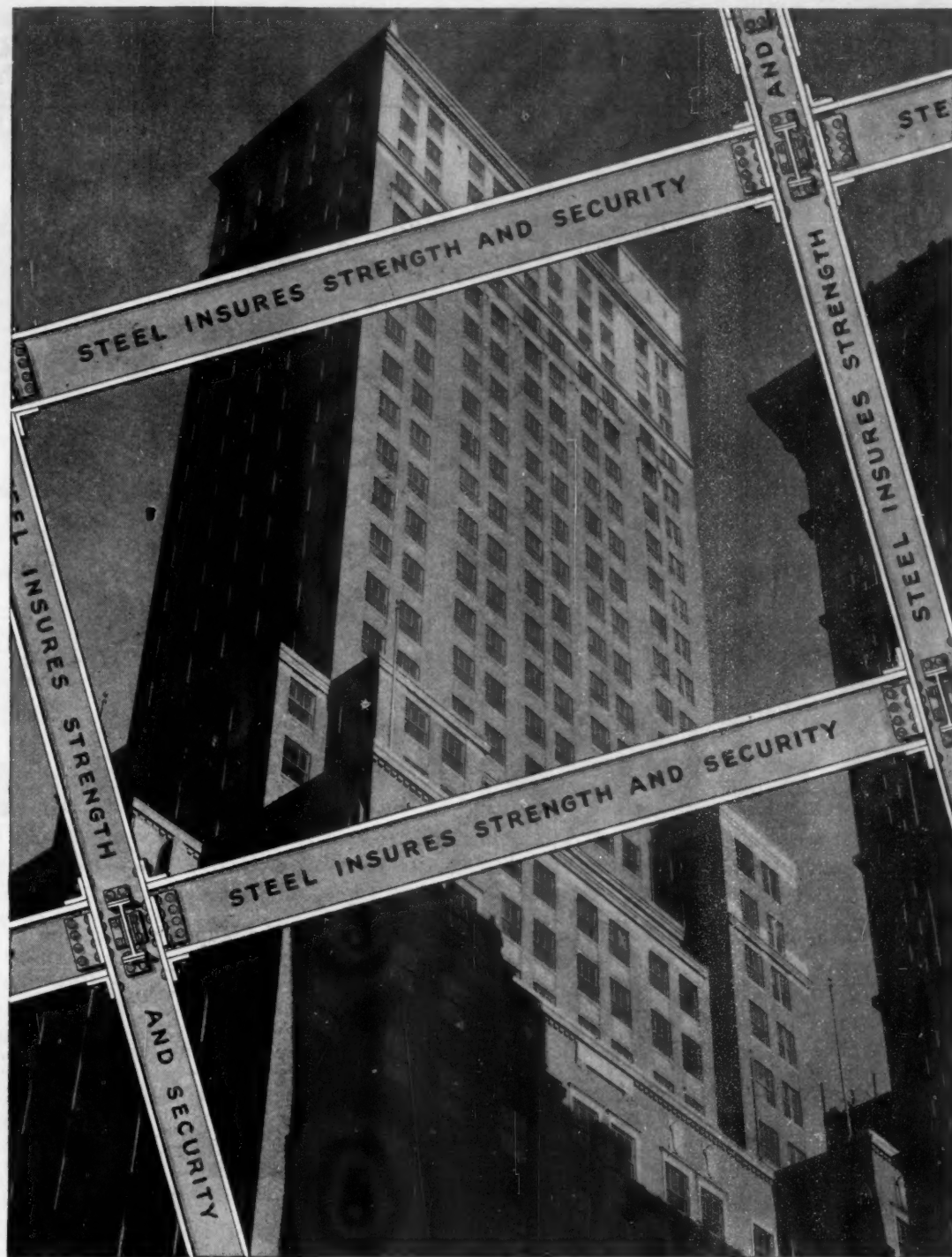
"How can you cut your operating costs and increase profits?" I broke in.

"Well, I think that could be done best by making my salesmen and myself more efficient. In other words," he concluded, "I should have sold you twice what I did and made you like it."

"Don't worry," I replied, "I'll be back to get a report on your riotous living with the \$2.76."



If a mirror could tell percentage of costs of an average ready-made suit, it would mark off amounts in something like those shown above. And if it could show all the men who contribute some of the labor which went into the manufacture and handling of the suit, a great army would be in the picture



WHEN ONLY *STEEL* WILL SERVE



To BUILD for permanence, use steel. The oldest steel skyscraper is in use today, after 42 years of service. To build for beauty, use steel. The Woolworth, The American Radiator, The Chicago Tribune Tower—nearly all of America's most beautiful commercial structures are of steel. To build for height, use steel. The tallest buildings in the world are of steel.

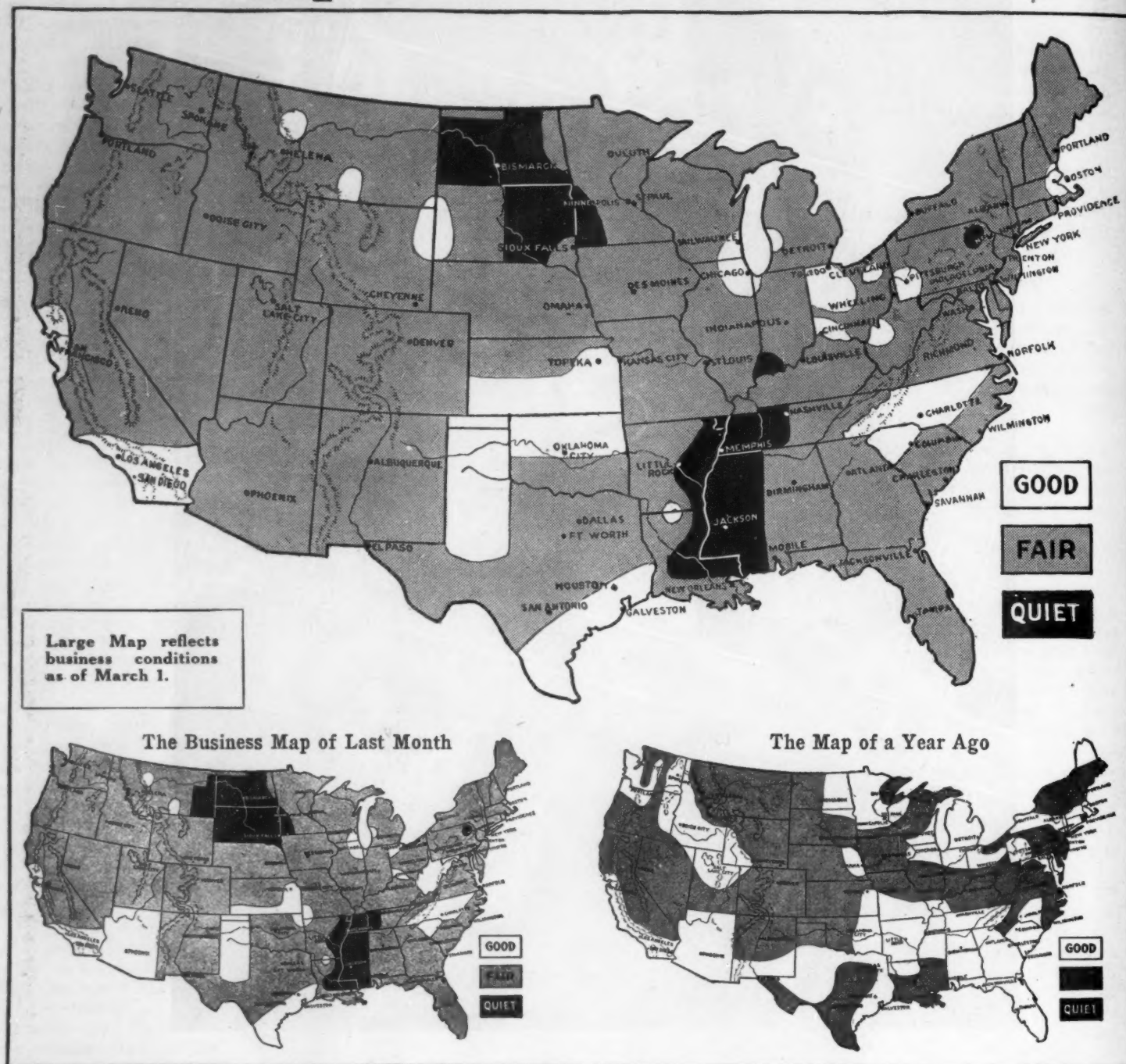
To build for strength, use steel. The longest single-span bridge in the world is of steel. To save time in building, use steel—for it

may be erected, altered or removed, faster than any other structural material. And steel is *fool-proof* whether used for residences, bridges, hotels or office buildings. Find out more about structural steel. Send today for the fact-book, "STEEL NEVER FAILS."

This educational advertisement is published by the American Institute of Steel Construction, a non-profit service organization of 218 members comprising the structural steel industry in the United States and Canada. Contributing also to the educational fund are these great rolling mills: Bethlehem Steel Company, Inland Steel Company, Jones & Laughlin Steel Corporation, Scullin Steel Company. The purpose of the Institute is to extend the use of structural steel in construction work of every size and type from residences to skyscrapers and bridges. The Institute offers fullest co-operation with architects, engineers, the public, and all branches of the building trades. Correspondence invited. AMERICAN INSTITUTE OF STEEL CONSTRUCTION, Inc., 285 Madison Avenue, New York City.

When writing to AMERICAN INSTITUTE OF STEEL CONSTRUCTION, Inc., please mention Nation's Business

The Map of the Nation's Business



FEBRUARY was a better month than January in a variety of lines of trade and industry, just as January saw things better than in the last quarter of 1926. In a number of lines, however, February, like January, showed recessions as compared with the like month a year ago, and this perhaps as much as any other reason explains the frequency of the use of the word "spotted" in describing the apparent contradictions shown even in branches of the same trade.

That February as a whole saw a growth in cheerful feeling seems beyond question; that volume of sales picked up is not denied; that the two months together ran little below a year ago is evident, but perhaps because memories are short or because retrospection does not satisfy, there is eagerness to see whether March will not

By **FRANK GREENE**
Managing Editor, "Bradstreet's"

give a more definite insight as to this year's spring and summer business.

Perhaps the most impressive feature in the entire situation was the continuance of easy money which encouraged the broadest volume of stock and bond dealings ever recorded in February at or close to the highest average prices. It also made possible an absorption of many new securities. These broad financial operations undoubtedly swelled the volume of bank clearings and bank debits and read strangely when contrasted with the rising tide of failures and of failure liabilities.

Briefly summarized, there was big expansion in most financial transactions, this

being registered in clearings and debits as already noted; the commodity price situation steadied up after the decline of January, a good deal of this, by the way, in primary or secondary products of agriculture, and in metals which had been weak in the first month of the year. Pig iron and steel production made good gains over recent months and closely approximated or exceeded a year ago in the same month. Car loadings continued earlier gains over the year before, even if this was mainly in coal areas; gross railway earnings for January exceeded those of the year before and decreases in net were smaller than in December. Electric power generated gained over the like periods of 1926, and building permitted for showed the first increase noted for nearly a year past.

In distributive trade, chain stores were

WHITE ENTERS LOW PRICE LIGHT DELIVERY FIELD

*Announcing Reduced Prices
Placing WHITE Transportation within
the Reach of Everyone*

Model 15
¾-1 TON CHASSIS



Model 20
1½ TON CHASSIS

\$2150 ← OLD PRICES → **\$2950**
NET

\$1545 ← NEW PRICES → **\$2125**
F.O.B. FACTORY

\$605 ← SAVING → **\$825**

WHITE transportation is today within the reach of every field of business and industry. Because of the increasing demand for quality truck performance, The White Company announces a broadening of its merchandising policy resulting in reductions in the prices of two models of four-speed light delivery trucks.

White is extending its area of transportation service—entering a wider field of fast, light delivery and establishing a complete range of truck capacity and price never before equaled by any high grade truck manufacturer.

The name and reputation of White is insurance of continued high quality. These are the same high-grade White trucks—at lower prices—the same standard specifications. For years the four-speed White Model 15 and Model 20

have been the outstanding quality trucks in the light delivery field. No truck of the same size or capacity (¾-ton, 1-ton and 1½-ton) compares with them in dependable, low-cost transportation over hundreds of thousands of miles.

Throughout the chassis construction of the White Model 15 and Model 20 you will find inbuilt quality, ruggedness and exclusive White mechanical features that are not duplicated in any other light delivery truck at any price.

THERE IS A WHITE TRUCK OR BUS FOR EVERY PURPOSE

WHITE LIGHT DELIVERY

Model 15—¾-1 Ton Chassis \$1545
Model 20—1½ Ton Chassis 2125

WHITE FAST EXPRESS

Model 56—2 Ton Chassis \$3125
Model 51—2½ Ton Chassis 3750

WHITE HEAVY DUTY

Model 40-A—3½ Ton Chassis \$4350
Model 52—5 to 7½ Ton Chassis 5100

BUSSES

Model 53—4 cyl.—16 Pass. \$4250
Model 50-B—4 cyl.—25 Pass. 5350
Model 54—6 cyl. 29 Pass 7500

Terms—Operators wishing to buy trucks on terms can do so

THE WHITE COMPANY, Cleveland

WHITE TRUCKS

and WHITE BUSSES

still far out in front in percentage of gain and department stores reported a moderate increase over February, 1926, as against an actual decline in January from the year before.

Mail-order sales, presumably a reflection of farmers' buying ability, fell behind February of the year before.

No registry of regular retail trade in old channels was available, but the burden of complaint heard from those lines would indicate that that branch of distribution was below a year ago and wholesale trade as a whole showed few signs of expansion over the like period of 1926.

The automobile trade reported further gains from the low point of early winter, but there was enough unemployment at some of the big centers of this industry to show that competition was keen. Tire manufacturing was active and better off than a year ago. The lumber trade showed marked divergences, soft wood buying and production, while greatly in excess of January, were still below a year ago, whereas hardwoods moved in larger volume.

Oil Production Up

PETROLEUM production, owing to large output in the new Seminole field in Oklahoma, apparently ran well up to if not above the high record of December, with the result that prices of crude were reduced on three separate occasions and gasoline prices were shaded slightly.

The wearing apparel trades were not free from the irregularities. Cotton goods as the result of lower cost raw material were active in sale and production and there were reports of confident buying further ahead than for a long time in the past.

Woolen goods, following the announced reductions in next fall's fabrics, did not show as much life as expected. Raw wool was rather slow with prices fairly well held, this contrasted with reports of activity at full prices abroad. Raw silk deliveries to mills in February dropped well below the record total of January but still exceeded a year ago in February, with some lines active while others moved only moderately. The shoe business sent varying reports as to spring buying and operation.

Above are a few examples of the happenings which lent variety, not to say irregularity, to domestic trade and industrial operations. Foreign trade, too, furnished a few samples of this kind. In exports, lessened shipments of foods, cotton, cotton goods, coal and petroleum accounted for practically the entire decrease shown in all

exports in January from December, while these four groups combined furnished little of the really heavy gain noted in all exports in January over the like month of 1926, this indicating a marked expansion in other products to allow of the net increase shown over January, 1926.

While the general trade situation and the map as a whole may be classed as not better than fair, and is below this in parts of the south and the northwest, there have

ginned, if even picked, at the time of the latest report in mid-January.

Indeed these reports of cotton continuing to be picked throughout the winter had never been equalled in a memory of some forty years. This salvaging of a lot of cotton, even if of low grade, carries some questions as to the policy to be pursued when planting of the next crop begins. There are some observers who are skeptical of the general carrying out of any possible agreement to restrict cotton planting where so many thousands of growers are involved, but some areas report cotton likely to be superseded by tobacco, peanuts and several other crops.

The value of crop reports gathered in February and early March as a guide to possible future yields is highly problematical, but there were some features touching on this subject worth noting. The past winter was a fairly mild one in the west and southwest and certainly a good deal of snow and rain fell.

The country from Nebraska and Missouri south to Texas and Oklahoma received a general snowfall some weeks ago which undoubtedly helped winter wheat. Further north, precipitation was good, and California about a month ago had record rainfalls, while the eastern half of the country had plenty of rain or snow or both during the winter.

Export Wheat Gains

STATISTICS of old grain crops on farms on March 1 have a living interest to the grain trade, and the returns this year by the Agricultural Department plus the regular visible and country stocks show considerably more wheat but considerably less corn and oats than a year ago.

Wheat on farms plus that in country elevators back of the regular visible supply points and that held in public elevators at large centers as of March 1 total 276,500,000 bushels, as against 223,000,000 bushels a year ago. Exports of wheat and its equivalent in the form of flour in the seven months ending with January 31 were 157,544,000 bushels, as against only 64,817,000 bushels in the like period of the preceding year, a gain of 92,727,000 bushels.

The Federal Reserve report of banks suspending in 1926 showed that competition, frozen credits or other troubles operated last year in that line as never before.

In fact, if there is anything as certain as death or taxes, it is that the business world, speaking of it as a whole, is today witnessing competition such as was rarely, if ever, before seen in a time of immense trade and record industrial progress.

BUSINESS INDICATORS

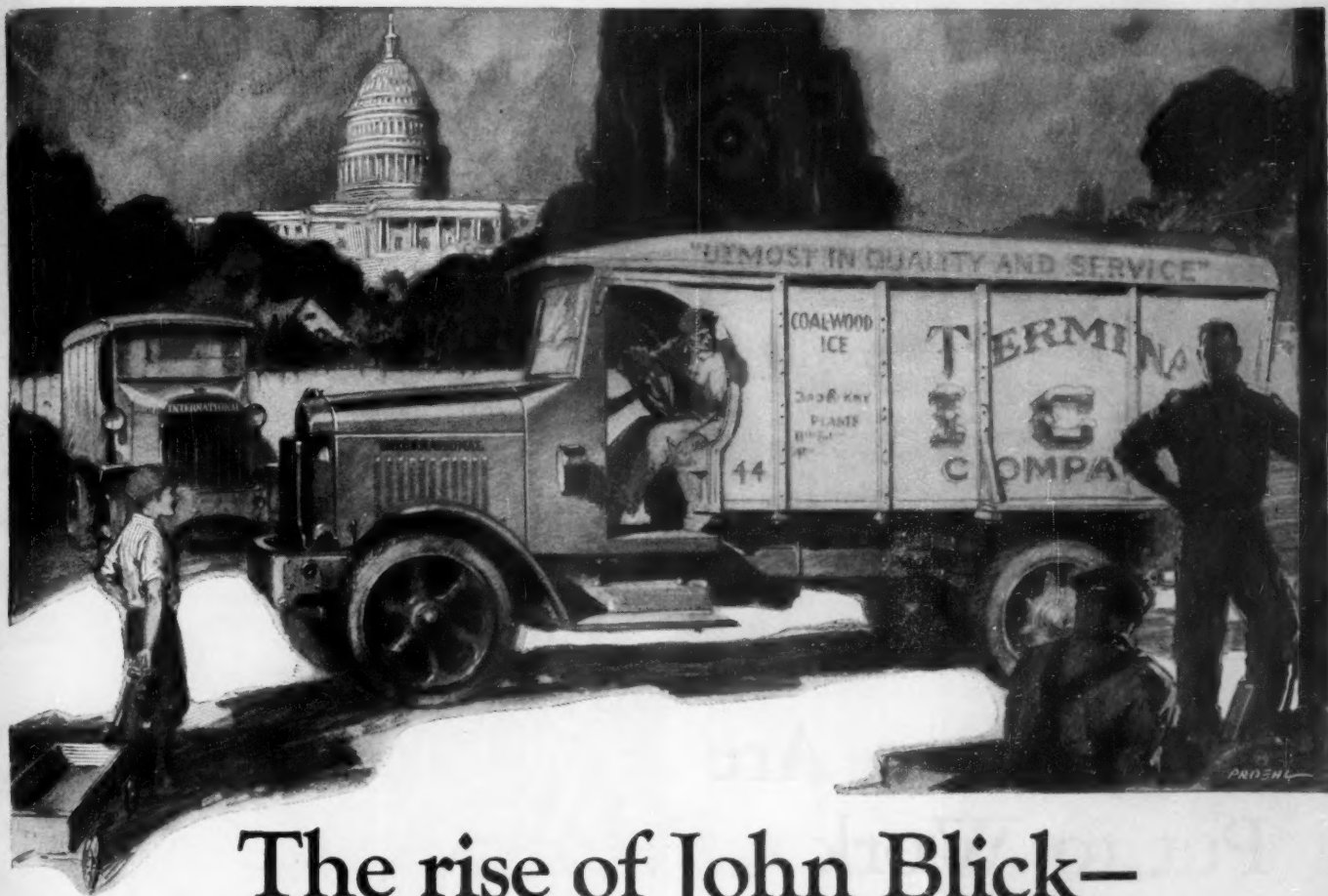
Latest month compared with the same month of the previous year, and the average month for 1926, 1925, and 1924 compared with the average month for 1923

	Latest Month Compared With Same Month of Previous Year	Average Month, 1923 = 100		
		Average Month 1926	Average Month 1925	Average Month 1924
Production and Mill Consumption				
Pig Iron.....	101	98	91	78
Steel Ingots.....	92	108	101	85
Copper—Mine (U. S.).....	108	118	114	107
Zinc—Primary.....	101	120	111	101
Coal—Bituminous.....	114	102	92	86
Petroleum.....	120	105	104	97
Electrical Energy.....	110	132	118	106
Cotton Consumption.....	104	103	99	85
Automobiles.....	78	109	106	89
Rubber Tires.....	98	136	134	114
Cement—Portland.....	104	119	118	109
Construction				
Contracts Awarded (36 States) Dollar Values.....	98	153	146	112
Contracts Awarded (36 States) Square Feet.....	100	123	131	103
Labor				
Factory Employment (U. S.).....	96	92	92	91
Factory Payroll (U. S.).....	95	96	95	92
Wages—Per Capita (N. Y.).....	101	107	104	102
Transportation				
Freight Car Loadings.....	105	107	103	98
Gross Operating Revenues.....	102	101	97	94
Net Operating Income.....	97	125	116	100
Trade—Domestic				
Bank Debits—New York City.....	107	142	131	111
Bank Debits—Outside.....	100	119	114	101
Business Failures—Number.....	113	116	113	110
Business Failures—Liabilities.....	137	76	82	101
Five and Ten Cent Store Sales—4 Chains.....	107	139	127	112
Department Store Sales.....	100	110	106	101
Mail Order House Sales—2 Houses.....	97	135	126	110
Wholesale Trade.....	95	101	101	99
Trade—Foreign				
Exports.....	106	115	118	110
Imports.....	86	117	111	95
Finance				
Stock Prices—20 Industrials.....	99	161	142	105
Stock Prices—20 Railroads.....	114	138	122	105
Number of Shares Traded In.....	121	195	196	119
Bond Prices—40 Bonds.....	102	110	107	103
Value of Bonds Sold.....	126	113	124	137
New Domestic Corporate Capital Issues.....	166	102	101	89
Interest Rate—Commercial Paper, 4-6 mos.....	93	85	81	78
Wholesale Prices				
U. S. Bureau of Labor Statistics.....	94	98	103	97
Bradstreet's.....	94	97	104	97
Dun's.....	95	99	104	100

		July, 1914 = 100		
	Latest	Average Month 1926	Average Month 1925	Average Month 1924
<i>Retail Purchasing Power, July, 1914 = 100</i>				
Purchasing Power of the Retail Dollar	60	60	60	61
Purchasing Power of the Clothing Dollar.....	58	57	57	57
Purchasing Power of the Food Dollar.....	63	63	64	69
Purchasing Power of the Rent Dollar.....	58	57	56	54
Prepared for NATION'S BUSINESS by General Statistical Department, Western Electric Company, Inc.				

Prepared for NATION'S BUSINESS by General Statistical Department, Western Electric Company, Inc.

been some features of a more hopeful character in the latter areas. Lower prices noted in January in goods affected by seasonal conditions, notably eggs, hay, coal, butter, lard, rice and potatoes, carried over into February, and breadstuffs also declined in the latter month but livestock continued the advance noted in January and cotton and cottonseed oil rose rather sharply. A big business was done in the lower grades of cotton, making up part of the 2,000,000 bales that had not been



The rise of John Blick— an epic of success in business



JOHN BLICK
of Washington, D. C.
*Some of his reflections
on International Trucks*

"I drove my first International myself for about five years and still have it running on its route.

"I know that I never lost a customer through the fault of my trucks. I now have at least 15,000 customers and 31 trucks, all Internationals.

"I have only one mechanic to keep all my trucks running. He has taught each driver to take good care of his truck."

FROM the wheel of his first International Truck to the Presidency of three corporations rated at over \$3,000,000—in nine years—that has been the rise of John Blick.

In the Spring of 1918 a young man came to the International Truck dealer in Washington, D. C., with an idea and very little money. His reputation and ambition got a favorable hearing for the idea, which was that an International Truck plus Blick (the young man's name) would make a profitable go of the ice and coal business.

John Blick at once proved his idea sound. Before the summer was gone his first International had grown to be a fleet of four. Customers multiplied and routes were extended. A year or two later his rising business became the Terminal Ice and Fuel Company, and truck followed truck until the fleet numbered thirty-one.

Growing up in sight of the capitol dome at Washington, John Blick knew that every boy has his chance to be President of the United States. To him that was the symbol of Opportunity. He did not expect to be the one man in a hundred million but he did expect to succeed! Born with a will to tackle the job, and leaning heavily on International Trucks, his rise has been rapid and inspiring. Today, after nine years, John Blick gives International Trucks a liberal share of the credit.

Over the great expanse of America are ten thousand business successes that Internationals have helped to make. Many times Opportunity has come riding at the wheel of an International Truck. Bigger opportunities are still ahead for men and trucks. Whatever your field, so long as there is hauling in it, International Trucks will help you on to substantial fortune and success.

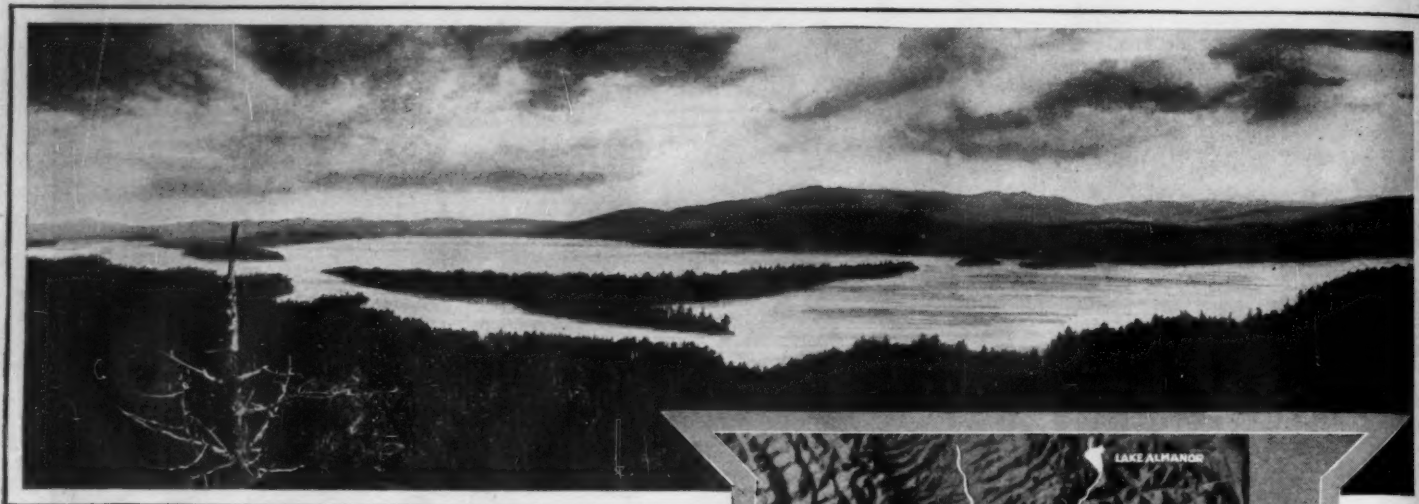
The International line includes the Special Delivery for loads up to $\frac{3}{4}$ ton, 4 and 6-cylinder Speed Trucks of $1\frac{1}{4}$ -ton and $1\frac{1}{2}$ -ton sizes, Heavy-Duty Trucks ranging from $1\frac{1}{4}$ -ton to 5-ton sizes, Motor Coaches, and McCormick-Deering Industrial Tractors. Served by 125 Company-owned branches in the United States. Write for literature.

INTERNATIONAL HARVESTER COMPANY
OF AMERICA
606 SO. MICHIGAN AVE. (INCORPORATED) CHICAGO, ILL.

INTERNATIONAL HARVESTER TRUCKS

When writing for further information regarding INTERNATIONAL TRUCKS please mention Nation's Business

Engineering skill, assisting nature, has made Lake Almanor, high among the Sierras in north central California, one of the world's greatest water power reservoirs, feeding its waters into power houses in the Sacramento and San Joaquin Valleys.



Sierras' Snows Are Put to Work

By W. K. SMITH

IN CENTRAL CALIFORNIA, along the eastern edge of the Sacramento and San Joaquin Valleys, looms the background of the Sierra Nevada—rising to heights of 14,000 feet and white with snow. The engineers of the electric power companies of the far west, standing in the valley towns, have looked to these peaks and have visualized the snow in kilowatts of electricity. They have seen millions of horsepower, but the remoteness of the country and the almost unsurmountable difficulties of construction, as well as lack of demand for power in earlier days, prevented extensive development until recently.

What the Great Western Power Company and The San Joaquin Light & Power Corporation, both of which are a part of the North American System, are doing to create a new empire in California is typical.

To Make Arid Valleys Bloom

THE ROMANCE in this California situation comes from two sources: the fulfillment of the idea that the arid central California valleys could be made to bloom through irrigation brought about by control of the waters in power-house dams, which water would likewise create electric power for pumping from irrigation canals to fields; and the hazardous and monumental nature of the construction work.

In 1904 when the Kings River power development had its conception, electricity was not greatly in demand in California nor for that matter in the entire country. There were some hydro-plants in the far west, but not many. Only a few electrical pioneers visualized the tremendous advance

that would be made electrically by 1926 when the demand for power would be increased 2000 per cent.

But the officers of the two power companies were men who saw. Their visions carried them into the future, picturing a magic green carpet rolling westward across the arid San Joaquin Valley with power lines forming the warp and woof and providing power for thousands of electric pumps to make the landscape blossom. They saw the people of California using more and more power until all the rivers of California would be developed; their waters impounded in reservoirs during the flood months and emptied gradually during the dry summer months, turning the wheels of generators and ripening the fruits and produce of a future agricultural empire of the valleys.

In 1904 A. G. Wishon, an executive of the San Joaquin Company, made a trip into the mountains northeast of Fresno to the canyons and meadows of the Kings River. He went first by wagon, then by pack horse, a trip requiring more than two weeks of hard travel over little-used trails. He saw the promise that the streams gave of power development and conceived the plan that has been over twenty years in consummation. Locked in these mountains



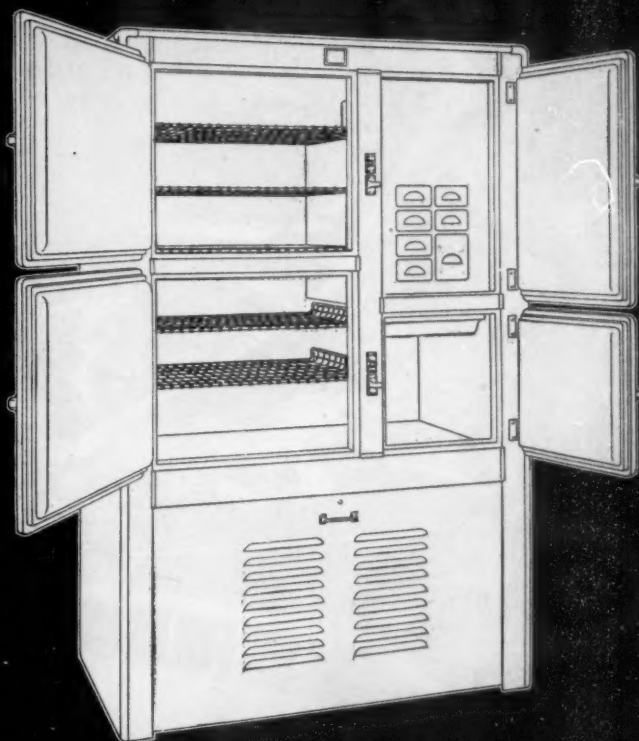
and
canyons was
the answer to
California's future de-
velopment.

In the beginning there were no accurate maps of this mountain country, nor were there any statistics as to water available. There was only the visible evidence of the great snow blanket and the roaring and plunging rivers of the spring season. A survey was started in 1912 to cover the ground work for later computations. By 1917 trails had been started, base camps established along the north and west forks of the Kings River, which passes through a series of high meadows or plateaus at elevations of 4,000 to 8,000 feet. However, it was not until 1921 that the first power-house was completed in the foothills and the following year, 1922, saw the first real construction activity in the higher reaches of the Kings River.

It was necessary, after the trails and camps were established, to map the country, study the contours and watersheds and make hydrographic studies to ascertain the

Copeland

DEPENDABLE *Electric* REFRIGERATION

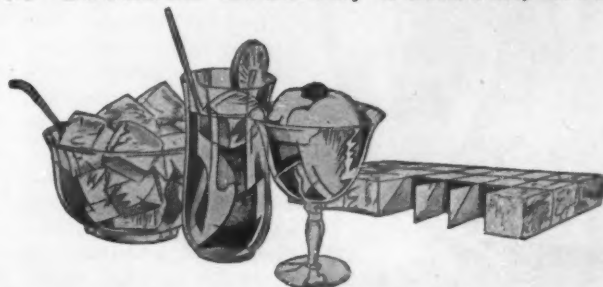


The all-porcelain model illustrated is the Copeland CS 14-22

FINANCIAL STRENGTH, capable management, aggressive policies and a product accepted as a leader, all combine to single out Copeland for the attention of those who see the real opportunities in the electrical re-

frigeration business. That is why Copeland distributor and dealer franchises are being sought and secured by a type of men outstanding in their several communities for known judgment and business position.

COPELAND, 630 LYCASTE AVENUE, DETROIT, MICHIGAN



When writing to COPELAND please mention Nation's Business

amount of water available so that the size and location of reservoir sites, dams, tunnels and power-houses could be determined. These measurements of streams had to be made throughout the whole year. The water along the streams varies from a few inches in summer, to 20 or 30 feet of raging torrent in the spring, and the task of measuring this flow necessitated courageous and daring work.

Food supplies had to be first transported, locked in strong wooden boxes lined with sheet metal and made bear-proof. Potatoes were buried below the frost line while in the lower altitudes eggs were wrapped in mattresses. In the higher altitudes eggs, meats and vegetables were allowed to freeze about November 1 and remained frozen until May.

Rough Outdoors

THE CABINS had all windows nailed across with barbed wire to keep out bears. The hydrographers had a difficult time. The streams above 8,000 feet froze solid during the winter months, while the snows were 8 to 10 feet deep. In the spring, the unlocking of the ice and melting of the snows made the streams and canyons impassable torrents of ice and water that washed away impounding dams and gauging stations.

But the work was done and accurate figures of the volume of water in the Kings River watershed were obtained upon which facts the necessary computations could be made for power-houses and dams. Surveys showed that 500,000 H.P. was possible of development by conserving the water in high reservoirs and diverting the streams through a series of power-houses situated along the canyons.

Next came the problem of transportation of construction machinery and later power-house equipment into these mountain



The Kerckhoff Dam across the San Joaquin River, 125 feet high, diverts water through a tunnel 17,300 feet long to a power house. Inset shows "hard rock" engineering necessary to harness Sierra's snows



valleys. The modern hydro-electric plant contains massive machinery of great weight which ordinarily can only be carried by railroad. The construction engineers of these power companies were confronted with the problem of finding the most economical method of transportation.

A railroad was considered but not approved, and a modern well-surfaced automobile road was finally decided upon.

Piedra on the Santa Fe Railroad, 25 miles from Fresno, was the nearest railhead, from which point there was a country road running 13 miles up the river to Trimmer village. Here the main stream was forded and it was possible to get an automobile up another 12 miles over an old road which had to be considerably renovated. Beyond this point there were no roads whatever.

New Scenic Country Opened

IT WAS necessary to build a new road to the site of the first great power-house at Balch at the junction of the west and north Forks. From Balch the road extends upwards into the plateaus and represents one of the most spectacular pieces of road con-

struction that has ever been done in the United States. The country is so wild and rugged that only the hardest and most venturesome of mountain climbers have ever tried to make a trail through it, and when completed and turned over to the country authorities, after construction of the power-houses, this road will open to the summer tourist and the flivver the Kings River Canyon—a region which rivals the Yosemite—and the Piute Pass country, which has been the most inaccessible and least known of all California mountain scenic regions.

A considerable length of this highway is built through solid rock, and in some cases it was necessary to locate it on nearly vertical cliffs. Cuts were made of more than 100 feet and in two places trestles had to be built rather than to attempt to cut a road-bed. The width of the road is from 14 to 16 feet and the average grade 6 per cent. In many places the rocky slopes are so steep and smooth that it was necessary for drillers to work attached to ropes suspended from the top of the cliffs. In these locations the road had to be chiseled from the rock and this work probably has its only counterpart in the situation at Stone Mountain, Georgia, where the Confederate Memorial is being cut from the sides of the cliff.

About 50 miles of road have been built, including five bridges, at a total cost of close to \$1,000,000. Eventually as new power sites are constructed the road will lead further into the mountains.

Three Forks to Be Developed

THE GENERAL design of this Kings River project provides for eleven power-houses and four separate dams varying in height from 160 to 315 feet which will impound 310,000 acre-feet of water. The Kings River at the foot of the Sierra Nevada is formed by the confluence of three forks, middle, south and north, and it is on the last with its principal branch, the west fork, that this extensive project is built. Work is going ahead on the north fork first with later developments to follow on the west fork. The lowest power-house is at an elevation of 880 feet, while the highest reservoir, 20 miles away, has an elevation of 8,170 feet. Power can therefore be generated from a total head of 7,290 feet.

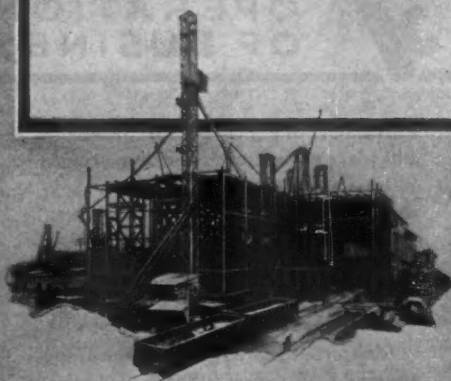
The power-houses on each fork are ranged one below the other. At each power-house, extending down from the upper reservoir, will be a dam impounding the water which is carried by huge flumes or tunnels to the next power-house below. The total fall of water between power-houses that can be utilized for power purposes ranges from 1,465 to 2,500 feet.

The Balch power-house is the first of the power-houses completed. The water here has a head, or fall, of 2,381 feet, one of the highest in the country. More than 160,000 horsepower will be generated and the cost of the plant will be about \$5,000,000. Water from the highest reservoir flows successively down the mountains through the various power-houses, suffering no loss of volume in passing through the turbines, rather being increased by the accession of water from tributary streams. Below the lowest power-house it will pass into the proposed Pine Flat Reservoir from

“If you retain this Firm—

It is our opinion that you will get the best engineering service that is available in this country, that the work will be done within the estimate they furnish you, and that they will produce a structure which will be definitely permanent and durable.”

**Part of a letter from a Stone & Webster client to a prospective client*



STONE & WEBSTER

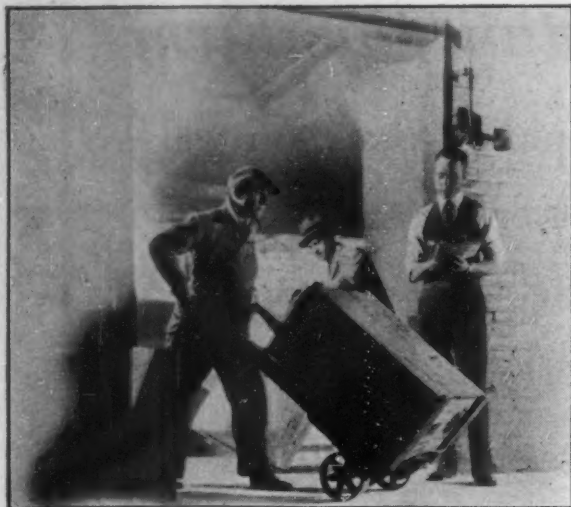
INCORPORATED



BOSTON, 147 MILK STREET
NEW YORK, 120 BROADWAY
CHICAGO, FIRST NATIONAL BANK BLDG.

SAN FRANCISCO, HOLBROOK BLDG.
PITTSBURGH, UNION TRUST BLDG.
PHILADELPHIA, REAL ESTATE TRUST BLDG.

When you **BUY**



—who notifies the receiving room—and the shipper, and your own accounting department, sales department, engineer, merchandise manager, or any one else who, in your kind of business, has a responsibility connected with that order? Whether you are manufacturer, wholesaler or retailer—

Buying is a KEY operation.

Protect it. Efficiently!

Rediform

for Buying ~ Receiving ~ Stockkeeping
Production ~ Selling ~ Shipping ~ Billing
with Rediform Sales and Manifold Books
"Wiz" Autographic Registers ~ Continuous
Interfolded or Continuous Interleaved

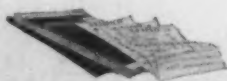
FOR THE KEY
OPERATIONS
OF BUSINESS

The Principle Applies to any Kind of Business. This principle is easy to understand—design your multiple carbon copy records so as to have as little error-breeding rewriting and copying as possible. In practice, however, this is not so easy to do. It is just here that we can aid you—by experience that began with the invention of the sales book and gives successful service to a hundred thousand concerns in every line of business.

Relating Key Operations is the Secret of Success. Buying, receiving, stock-keeping, production, selling, shipping (or delivery), billing—are the key operations that constitute business; for business, in the main, is the

movement of goods or materials from one place or person to another, accompanied by fabrication, service and payment. Relate these key operations in any one business to one another, and connect them with subordinate or accessory operations, and you have the key to success.

Rediform Records give Carbon-Copy Control to Business. Years of experience and the introduction of over 90 per cent of all patented improvements in carbon-copy forms and devices enable us to offer you the latest developments in sales books, registers and continuous forms, and to engineer them into your business properly. This service is yours for the asking.



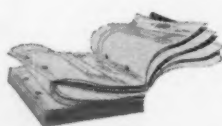
Rediform Sales Books and Manifold Books

Every type for every purpose—with all the latest improvements, and a service in design that makes any type more efficient.



Rediform "Wiz" Autographic Registers

With the latest features of sturdiness and accuracy, and the convenient Flatpakit forms—with locked compartments.



Rediform Continuous Interfolded and Interleaved

Permit variation of color and weight of different sheets and are adapted to either billing machines or typewriters.

AMERICAN SALES BOOK COMPANY, LIMITED, ELMIRA, N. Y.
Factories: Elmira, N. Y., Niagara Falls, N. Y. Sales and Service Offices in Principal Cities

whence it may be distributed to the irrigation canals of the valley farms.

To comprehend fully the magnitude of the construction work it is necessary to know the nature of hydro-electric power generation. The electricity is generated by passing water at a tremendous pressure through nozzles, directing it against impulse wheels, which in turn rotate the electric generators. The water is impounded by a dam one to two thousand feet higher and carried by pipe or tunnel to the power-house.

The control of such a powerful stream of water and the almost vertical pipes through which it must be conducted to the power-houses have made the task a most unusual one in that so much of the construction must be done on a massive scale, requiring deep and heavy foundations which in many cases are anchored deep into solid rock.

Difficulties of Construction

SUCH construction work in the city for the foundations of skyscrapers is difficult, but difficulties are increased many times when it must be done in high mountains many miles from all sources of supply, with hard, cruel winters extending from September to May and with uncontrolled streams rushing down in the spring. It has been necessary to install gate valves weighing 25 tons and to use many miles of steel pipe, 4, 5 and 6 feet in diameter, each section securely fastened to concrete foundations and to adjoining sections. The total weight of one generator which will give 40,000 H.P. will be 348,600 pounds and it will be nearly 20 feet in diameter. Anchoring these huge pipes that carry water to the power-houses on the mountainsides involved difficult engineering. At one place the pipes are tied to the slope by a concrete block weighing 1,600,000 pounds.

Water from the Balch power-house was diverted from the north fork about four miles distant and 2,400 feet higher. A tunnel, 19,500 feet long and 12 x 12 feet in section has been driven from one side of the mountains to the other. Its southern portal comes out of the mountain above the Balch power-house and from this portal a massive penstock carries the water down to the turbines.

Concurrent with the work of dam and power-house construction at Balch has been the tunnel construction. This tunnel, nearly four miles long, will become a subterranean river carrying water from the Williams Crossing Dam to the head of the Balch penstock across the mountain. In boring the tunnel, two side tunnels were first driven 350 feet into the mountains and from their inward ends the tunnel was bored in two directions to outlets, making four headings.

One hundred seventy-five men were employed, night and day, in this work and it has been necessary to average 45 feet of tunnel a day. Every modern tunneling device that can be used has been utilized, including an electric muck or refuse-loading machine which picks up the loose rock after blasting and loads it on tram cars to be carried to the surface.

To any one familiar with the back-breaking job of mucking by hand, this machine seems a dream.

The first 40,000 H.P. unit of the Balch plant will be put into operation early in 1927, and work will continue during the next five years, carrying the rest of the project to completion. Power is to be carried down the mountains at high voltages and by means of the Wilson Sub-station at Merced in the San Joaquin Valley, will be diverted northward to San Francisco and the Sacramento Valley as additional power is required in those districts. Similarly, by means of this sub-station, electric power can be brought in the San Joaquin Valley from the great northern line of power along the Feather River whenever the need for added power arises. The joining of the two transmission lines of the two systems has been one of the great economic feats in California's recent development and makes finally possible the complete electrification of Central California with power in large quantities available at all seasons of the year.

The vision of the engineers who foresaw this development has come true. They can well answer François Villon's query, "Where are the snows of yesteryear?" by pointing out the orchards and vineries, the cotton fields and produce gardens and the cities of the San Joaquin and Sacramento Valleys, where Sierra's snow has been put to work.

The Smoke of Peace

THE SMOKE of battle isn't causing half as much trouble in the Army nowadays as the smoke of peace.

Testimony given by Brig. Gen. Merch B. Stewart, commandant of the United States Military Academy at West Point, when he appeared before the House Appropriations Committee in connection with budget estimates for the operation of that institution during the year beginning July 1 next, showed that to be the case.

Embryo generals at the academy were embarrassed by the "smoke of peace," because they were unable to provide it for their lady friends or to partake in it.

"Are the cadets permitted to smoke on the grounds?" inquired Representative Henry E. Barbour of California.

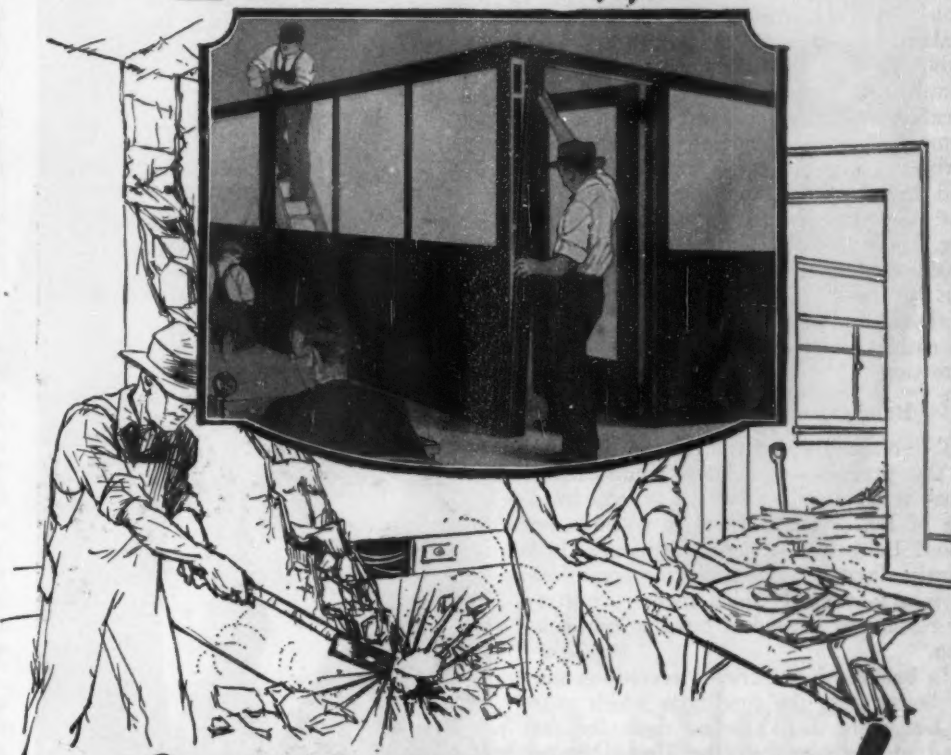
"Not in public," replied General Stewart. "They are permitted to smoke within doors. Since I have been superintendent I have authorized them to smoke at officers' quarters, on invitation of the host. The fact that they were not allowed to smoke there previously was a source of some embarrassment to the officers themselves, because when they had cadets in for dinner the officers themselves either had to refrain from smoking or else smoke in the presence of a guest when they knew he wanted to smoke but was not allowed to do so.

"In addition to that I have permitted them to smoke on the balcony of Cullom Hall, overlooking the Hudson River. We found that lack of that permission was a source of great embarrassment to the cadets, because they go out on the balcony with young ladies between dances. Many of the young ladies smoke—in fact, expect the cadets to furnish them cigars—although the cadets were not permitted to smoke with them. As a matter of fact, they had been doing it surreptitiously for years and I preferred to permit them to do it openly."

HAUSERMAN

MOVABLE STEEL PARTITIONS

Eliminate Waste



thump-thump-smash!

— "permanent" partitions crumble into rubbish and dollars into dust.

TODAY the old order has changed—economy demands . . . efficiency endorses . . . and business needs movable steel partitions for all subdividing purposes.

Hauserman Movable Steel Partitions give offices an almost incredible flexibility. You can then adjust your partition layout to your business instead of adjusting your business to your partition layout. These partitions are movable over night—no waste.

Assembled of standard steel and glass interchangeable units rigidly bolted together. Expertly designed . . . a warm, livable appearance . . . handsomely finished to harmonize with any decorative scheme. And at a price that reflects a definite saving!

Ask for the complete story—it will interest and profit you.

THE E. F. HAUSERMAN COMPANY
Largest Steel Partition Manufacturer
6811 Grant Avenue CLEVELAND, OHIO
New York Boston Pittsburgh Detroit Chicago Cincinnati



Why Not Put Our Ideals to Work?

By IRVING T. BUSH

ITHINK the most important matter for business men of this generation to center attention upon is the elevation of business ethics.

This statement is not a criticism of present business standards, nor does it imply lack of appreciation of the great advance which has been made during the last generation. I am not thinking in terms of flabby idealism which makes vague gestures toward highbrow uplift. I believe practical idealism and enlightened self-interest should compel business leaders everywhere to strive to raise business standards to the end that just criticism will be impossible and discontent less likely. I am not thinking alone of the ethics which govern business transactions between business men, but as well of the relations between business and the public, and between executives and those who work under their direction.

Bolshevism Not a New Force

IT IS often said that the greatest danger to the progress of modern civilization is what is described under the general heading of Bolshevism. There is nothing new about Bolshevism except the name. It is merely discontent with existing conditions. It is a movement which seeks to destroy by revolution instead of building by evolution.

In backward countries a revolution may be better than the conditions which cause it, but there should be no room for that kind of discontent in the United States. We are an educated people. We have achieved the highest level of average comfort and luxury which the world has known. We have done this honestly. It has been accomplished partly by developing natural resources, but far more by developing the brains of American men and women.

The much-abused word "efficiency" tells the story of our success. Inventive genius has made one hand do the work of many. Mass production has been organized to the point where the laborer is a director of mechanical process. Lost motion has been cut out and waste eliminated. The resultant profit has been saved and its accumulation distributed among laborers and leaders alike to produce the great wealth of this country.

The prosperity of the United States has not been due to war, to natural resources, or to the fertility of our farms. Each of these agencies has played its part, but without the upbuilding of the human elements the result would have been negligible. We are intelligent because we are educated, and we are vibrant with energy because we have created opportunity and permitted the man who works with intelligence to enjoy the fruit of his labor.

A new element has come into business—the business engineer. He works for a wage and therefore appreciates the point of view of the workman, but he has been educated to the point where he intelligently studies cost sheets. He realizes the waste involved in labor disputes and that the one thing most vital to the success of both



Here Irving T. Bush talks plainly to American business on some of its shortcomings, and the reader may rightfully ask by what right he speaks. His right is that of one business man to talk to another—to strike from the shoulder at men who are not his enemies but his associates.

Irving T. Bush's career has been an interesting one. His greatest achievement is the Bush Terminal with its 123 wharves, its docks, warehouses, and factories.

Mr. Bush is far from a Babbitt-baiter. His is a sincere interest in the betterment of business.

leadership and labor is that the unit cost of the article produced be kept at a level where it can be sold in competition. If it cannot be sold, leadership loses its profit and labor loses its job. The recognition of this fact in some great industries has done more to advance American industrial success than any other single factor.

It does no good to say that labor is sometimes stupid, selfish and inconsiderate. Of

course it is; so is leadership. They are both human. There is no more use in trying to do away with organized labor than with organized leadership. Any force must be organized, to be directed by reason. The thing to do is to elevate the standards of both forces and make them know that, no matter how they may differ in detail, they are in the same boat and sink or swim together.

The test of the permanency of this new relationship will come when business slows down. With less work there must be fewer jobs. This may irritate labor. With less business there will be smaller profits. This may irritate leadership. The greater responsibility for carrying through these difficult periods must rest upon leadership.

Reducing Wages Raises Costs

IF BUSINESS men resort to the old practice of reducing wages, labor will lose confidence in the benefit of cooperation unless there be a reason which has been fairly discussed and agreed upon. It is only necessary to look across the water to England to see the unfortunate results which may follow. English labor has become convinced that its interest lies in reducing output to increase the number of jobs. You say this is stupid. Of course it is, but it is the result of leadership not playing fair with labor.

The next thing business men may well give attention to is safeguarding the savings of the people. People of all classes are learning to invest. A man or woman who saves money, and invests it in industry, is on the road to becoming a good citizen, because he or she owns a share in the productive power of the country. Men or women who have their savings taken away from them by the vultures of finance who are sometimes permitted to masquerade under the title of "banker," are on the road to discontent and bad citizenship.

You say, "This may all be very well, but where do I come in?"

You can begin by standing for the right thing in your own industry and in your own community.

Do not be ashamed of idealism but make it a practical idealism. The idealism of most highbrow orators is about as effective as shooting skyrocket into the air. They may do some good by making somebody think. On the other hand, they go up like a rocket and down like a stick and may cause discontent by landing on somebody's head.

The next thing you can do is to take an interest in the civic society which represents your local community. Your chamber of commerce is your union of business men. It is the medium through which you can express your collective ideas to aid and guide those who represent you in legislative action.

It will be a dud if you and your kind neglect it, but it can be made a constructive force if you will support it. If you stick your head in the sand, you will only get dust in your own eyes—and you may lose your tail feathers.

This Versatile Gas

By C. W. Person

MODERN civilization is founded on several things, the elimination of any one of which would drop our high plane of living to materially lower levels. Among these prime factors may be mentioned fast transportation, quick communication, mass production, abundant power and gas.

The part that gas plays in modern civilization is most vital and far-reaching, and the number of times it touches us in our daily life is astonishing. Let us follow ourselves through an average day's routine and see the influence of this modern fuel.

It is a winter morning—the faithful alarm clock, with mechanism as true as only gas treatment could make it, awakens you. Your gas house-heating plant under automatic temperature control has given your home a temperature of 70 degrees. You arise from a gas-tempered bedspring on which you have enjoyed a restful night's sleep. You enter the bath, every one of whose fine fittings has been made possible for you by gas.

There stands the bath tub, whose glistening enamel finish is the product of a gas-fired furnace; the fixtures and the shower, which have been gas-treated; finally, the mirror silvered by gas, and the little accessories that add a final touch of elegance to the bathroom equipments. All are set in the beautiful scheme of floor, wall and ceiling, the very tiles of which have been glazed and finished by gas.

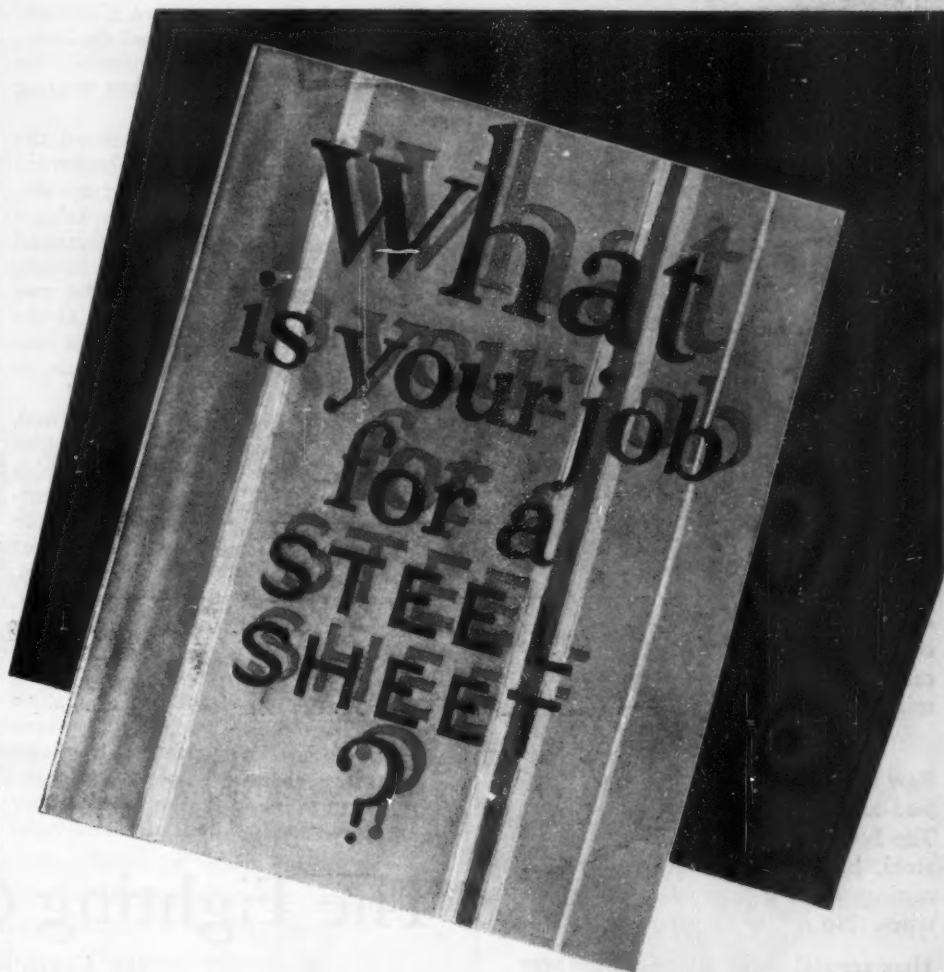
From faucet and shower spray comes a wealth of hot water from your automatic gas water heater. And now the shave—made a pleasure by gas-tempered razor and blade, by brush set in gas-vulcanized handle, and that final touch of cooling lotion, made possible by gas by-products.

Gastronomic Benefit of Gas

AND NOW, for the real joy of the morning, a steaming hot breakfast, prepared on a gas range. More than that, the lowly gas has been your caterer. Through its use your fruit has been ripened, your cereal cooked and prepared for your pantry shelf. Your coffee has been roasted, your meats smoked, your bread baked, your cream pasteurized.

Gas, the caterer, has supplied you with the finished table service. Gas has plated your silver, glazed your china, melted and formed your glassware, and "fired" the beautiful designs and color schemes that are on the cream service.

It is left to gas to add that last touch, the morning paper, to the perfect breakfast. Through the night, gas has melted the stereotype and linotype metals that have formed the type and cuts of your morning paper. And now there are your hat, gloves and umbrella, all of which have been produced with the aid of a gas-fired steam boiler. In the garage you find that the gas garage heater has kept the temperature just above freezing and you start your engine without trouble. As you admire the lines and finish of your car, and listen to the rhythm of the engine's perfect perform-



do you
know the
NEWSTEEL
ENGINEER



And the service he represents? He will bring to your aid—in determining the most economical and most satisfactory type of sheets to use—a staff of chemists, metallurgists, and shop practice experts. So, when in doubt, send for the Newsteel Engineer.

NEWSTEEL SHEETS~ to meet particular needs

NEWSTEEL SHEETS are designed to meet specific requirements. For different jobs different types of sheets are needed. Your particular job may require a sheet able to take deep draws and bends, delicate punching and stamping. Whatever the problem, you can be sure that the Newsteel Sheets sent to you will be scientifically designed to meet your particular needs. Correct metal formula, proper annealing, single or full pickling, cold rolling, stretcher leveling, full finish . . . these factors, as well as accuracy of gauge, are *controlled* . . . so that Newsteel Sheets—good steel sheets—become the best assurance against wasted material, lost time, and labor in the fabricating of the finished product.

HAVE YOU A COPY OF THE NEWSTEEL CATALOGUE?
IF NOT, WRITE FOR ONE TODAY. FREE, OF COURSE

THE NEWTON STEEL COMPANY
YOUNGSTOWN, OHIO

CHICAGO

CLEVELAND

DETROIT

NEW YORK

NEW  STEEL
The ENGINEERED Steel Sheet

When writing to THE NEWTON STEEL COMPANY please mention Nation's Business

Build where costs are low



Details in FREE book

LOCATE your plant or branch in Erie—city of 5 great advantages. Basic ores, pulpwood and other materials come direct from up-lake ports. Bulk cargoes—low rates—least handling—minimum cost!

Real Savings Here

Raw iron, aluminum, copper, zinc and lead are smelted and converted here. The home market supplies gray iron, steel, brass, bronze and malleable castings and forgings of all sizes and types. No freight to pay.

Here are real dollar savings at the very beginning of the production cycle. This is but one Erie advantage—others here for you!

Get the Full Story

"5 Great Advantages" details the rare competitive advantages Erie offers manufacturers. 32 pages of vital facts for every executive. Send the coupon. Or request a confidential Industrial Board survey to fit your specific problems.

ERIE

PENNSYLVANIA

City of 5 great advantages



ERIE CHAMBER OF COMMERCE
Erie, Penna.

Date

Please send a copy of your booklet
"5 Great Advantages."

Name

Firm

Address

N. B.—4-1-27

ance, you probably do not give a thought to the fact that gas has janned the body, block-tested the engine, heat-treated the gears, the shifting lever and other wearing parts, and vulcanized the tires.

You are soon on your way toward the city, and as you motor down the boulevard you are attracted by the lighting system, automatic traffic controls, buildings, bridges and other structures, with their thousand and one units and details of steel, bronze, copper, brass and other metals. But you fail to see behind them all the men at the gas plant who are making possible the supply of fuel that has produced these, in whole or in part.

You are now at your office building, and, as yet, cannot elude the many evidences of ever-present gas. The mahogany finish of your steel office furniture, the clattering typewriters, the adding machine, the binders of your business forms, your check perforators, your engraved stationery, your pens, and even the pins and clips, have called upon this wonder fuel during their production.

It is noon, and you leave for lunch. Only heavy-duty gas-fired restaurant appliances made it possible for you, among those hungry thousands, to secure an appetizing meal within reasonable time. You have absolute faith in the sanitation of that busy restaurant, feeding hundreds of varied types

of people, for gas has made possible perfect sterilization of dishes and utensils. You hurry to your office, pausing for a moment to pay your check with money whose specie has been melted by gas and formed into coins. The gas-treated cash register has recorded the amount of your check.

In the late afternoon you leave your car in the city for some minor repairs and hasten home on the suburban train. The locomotive whose giant tires, babbitt and ball bearings, brass journals and other wearing parts are but other products of the versatile gas, quickly rushes you to your suburban home.

And then the pleasant evening at home; dinner, a cozy living room, a comfortable chair, the glow of the hearth, a book. Gas is the enchanter. Gas has given to that room the stains and varnish of woodwork and furniture. It has shaped the design of chandelier and electric light bulb. The radiant-type heater casts about the room all the warmth and glow of an old-time open fireplace.

The day has drawn to a close, yet we have touched upon only a few of the thousands of uses of gas. What of the telephone, the radio, and the multitude of industrial uses, some five thousand in number? Throughout his life there is scarcely anything which man uses in which gas has not played its very important part.

"The Fighting 69th" in Review

By Francis Copeland

AN INVENTORY of the short session of the Sixty-ninth Congress, which ended March 4, reveals a legislative record of no mean proportions. The regular appropriation bills had first claim upon the attention of Congress and consumed a large part of the thirteen weeks of the session. New proposals for federal appropriations sprang up to an extent far beyond the experience of recent years. Many new authorizations were voted that have not yet been reflected in actual appropriations. The sum total of monies appropriated is not far from the amount requested by the President through his mouth-piece—the Bureau of the Budget.

The Record of Achievement

The President actually signed 475 bills during the short session just closed. He affixed his signature to 229 during the final 24 hours of the Congress. Most of these were private bills, bridge bills, pension grants and the like—individually without great significance to the country as a whole, but collectively of considerable importance.

Despite the great amount of time devoted to money bills several measures of vital importance to the country were enacted into law.

The McFadden-Pepper banking bill became law after a struggle of several years. It gives indeterminate charters to federal reserve banks; extends the powers of national banks with respect to loans on city real estate; dealing in investment securities, and in other directions; also national banks are given restricted authority to maintain city branches in states which allow state

banks to have branches. Passage of this measure has brought new confidence to the country's banking system.

Federal regulation of radio communication was authorized through passage of the compromise White-Dill bill. A radio commission of five members, chosen from five geographical zones was created to institute federal control of licenses. After a year the Secretary of Commerce will exercise administrative powers but the commission will continue as a body to which appeals can be made. This is a new field for federal legislation and it is expected that time will show need for changes to meet rapidly changing conditions.

One of the last acts of Congress was the creation of two separate bureaus in the Treasury Department to deal with enforcement of prohibition laws and the collection of customs. The personnel of these bureaus will be placed under the classified civil service.

Passage of the Hoch Foreign Commerce Service bill provides a definite legal status for the corps of commercial attaches and trade commissioners of the Department of Commerce which is scouring the world for markets for American goods. American government trade representatives abroad will now have new assurance that they can find a worthwhile career in their chosen field of work.

Of special interest to western states is the bill that was passed which clarifies and confirms to states the titles to school lands previously granted the states by the Federal Government.

A campaign to combat the European corn

Rubber — makes the *profit curve* climb !

Who decides what kind of work your trucks can do—where they can go—how many trips they can make—what you can haul in them? The man who picks the RUBBER—the tires you put on the wheels.

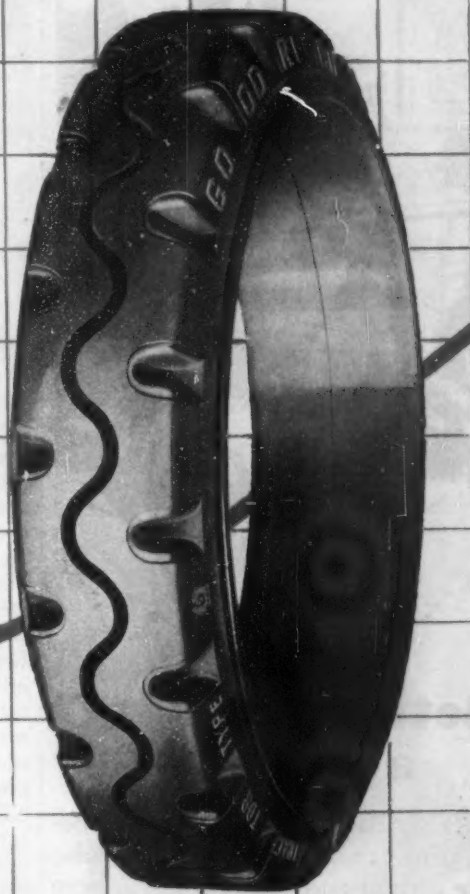
Some tires can add a trip per day to every truck in your fleet.

Some tires can roll through, where others mire down.

RUBBER—rightly chosen—can build good-will for retailers by assuring prompt deliveries—and speed up production in factories, all along the line.

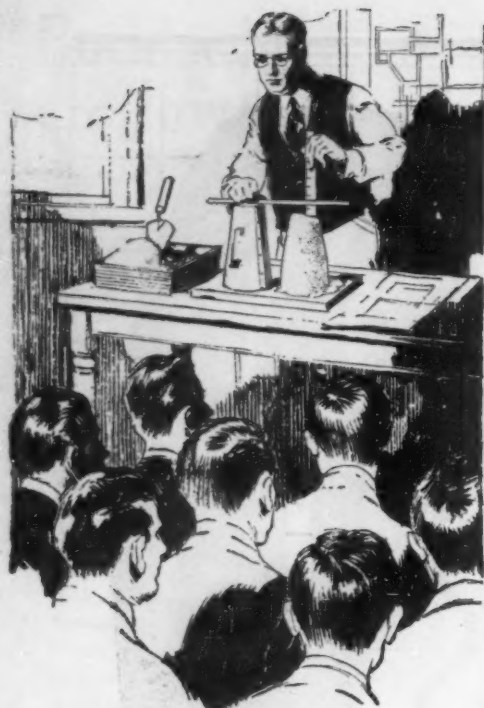
These are only a few of the savings—and earnings—you can discover when you go into the question with the men who can supply you with Goodrich Tires.

THE B. F. GOODRICH RUBBER COMPANY
Established 1870 Akron, Ohio
In Canada: Canadian Goodrich Company, Kitchener, Ont.



Goodrich

FOR TRUCK TIRES



Making "Better Building" a Reality

A REMARKABLE meeting has begun... a thousand pencils poise above a thousand note-books... here sits a man who builds great hotels... beside him a road builder... across the aisle a builder of homes.

The speaker—a Portland Cement Association man—is giving the building industry the results of some of the Association's research experiments with concrete. He is conducting one of the series of schools held by the Association in co-operation with engineering societies and educational institutions throughout the country.

This is but one of the many phases of the Portland Cement Association's activity. It is continually engaged, through laboratory, field and educational work, in improving and extending the uses of concrete—and in enabling the user to get the most from his construction dollar.

The far-reaching benefits of this research and educational work is made possible by the 84 cement manufacturers who comprise the Association's membership.

Portland Cement Association
CHICAGO

*A National Organization to Improve and
Extend the Uses of Concrete*

OFFICES IN 31 CITIES

borer in the middle-west was authorized by provision of a \$10,000,000 fund to be made available to states.

Other accomplishments of the short session include:

- A \$71,000,000 river and harbor bill.
- Salary increases for federal judges.
- Two-year extension of Maternity Act.
- Regulation of imports of milk and cream.
- Improvement of patent office procedure.
- Loans to veterans on bonus certificates through Veterans Bureau.

The failure of the deficiency bill stopped the appropriations for the increased salaries of judges, the pay for the Radio Commission, and the money to loan to veterans on bonus certificates.

A Filibustering Finale

A last-hour filibuster is a common occurrence at the end of a short session of Congress. There are always issues that some Senators can seize upon with the ardor of crusaders and they can plant their feet upon their parliamentary rights under the Senate's rules and talk until the fourth of March or until they gain their point. Such tactics this year spelled defeat for the Boulder Canyon dam on the Colorado River, extension of the Senatorial elections investigating committee, additional authorization of \$125,000,000 for public buildings, revision of postal rates, retirement pensions for emergency army officers, the alien property bill, and deficiency appropriation bill providing more than \$90,000,000 to carry out many activities authorized by new legislation.

Farm Relief

For the third time in three years the McNary-Haugen farm relief idea met defeat. Heretofore the proposal has been killed in Congress, but this year it took a Presidential veto. The issue will bob up again either as a Congressional proposition or a political factor affecting the Presidency. It probably will take both courses. Foes of the recent ill-fated bill are facing the prospect of finding a substitute that will scotch the impending "agrarian revolt." They talk of broad extension of the tariff system to additional farm products and higher rates on some crops now protected by the tariff. A re-opening of the tariff—freely predicted—may center on the agricultural situation.

Postal Rates

A bad break of luck doomed postal rate legislation in the final hours of Congress. A conference committee reached an agreement on a bill which would have restored rates near to the 1921 schedule. This result was reached only four days before the end of the session and the conference report ran into an air-tight filibuster in the Senate which shut out the postal bill.

Cuban Parcel Post

No action was taken on the bill to repeal present quantity restrictions on imports of cigars and cigarettes. The Ways and Means Committee reported it to the House but failed to get a special rule to expedite its passage. The Cuban government has protested against this restriction which it claims operates to the detriment of Cuba and has announced its intention to

terminate the existing Cuban-American parcel post convention on June 30, 1927. American exporters have worked vigorously for repeal of the present restrictive act but American tobacco interests have been just as active in seeking to prevent a change from the present situation. If Cuba fulfills its intentions American trade with that country will suffer.

Alien Property

A bill for return of alien property seized during the World War and the settlement of war claims of American and German citizens was passed by the House and reported to the Senate but failed to receive final Senate approval.

This question, therefore, will remain for the next Congress to settle.

Coal

Efforts to enact legislation to regulate the coal industry fell flat. It can be confidently expected, however, that agitation for federal laws on this subject will continue as long as there is a national coal problem.

Taxation

Early in the session the Ways and Means Committee of the House at the instance of the Administration turned down all proposals for tax reduction. Efforts from other sources to force the issue failed. The next Congress, however, will tackle the subject in earnest and the Ways and Means Committee plans to meet early in the fall to begin preparation of a bill to present to Congress when it convenes next December.

Railway Consolidations

The short session did not afford enough time and opportunity for full incubation of legislation on railway consolidations. The Parker-Fess bill was dealt with thoroughly by committees in both Houses but got no farther. Conflicting interests of the various classes of people affected seem to have been pretty well smoothed out. The prospect is bright, therefore, for final action on this subject in Seventieth Congress.

The Turkish Treaty

The Turkish Treaty failed to be ratified due largely to opposition of certain church elements who felt that Christian minorities in Turkey were not adequately protected.

Planning Starts

Nine months will ensue before Congress meets again. In that time citizens will forget much of their disappointment due to failure of their pet bills in the last session. Plans for legislation next winter will begin at once to germinate. In many cases more time will allow the formulation of more satisfactory legislation.

One can be sure that many things will happen between now and December that will focus public attention on issues now relatively obscure. It would seem fairly certain, however, that the summer months will witness widespread agitation on tax proposals and solution of problems of agricultural distress. The enigma of prohibition we have always with us. The turn of events in foreign affairs also will bring new problems with much discussion during the summer recess and possibilities of action in the Seventieth Congress.

Byron W. Moser

President, Security National Bank of St. Louis, Mo., says that without The Dictaphone he could not give stockholders full value for the salary he receives



"We pick our answers while they're ripe"

The Dictaphone enables this bank to handle its correspondence with dispatch and economy

Observe how its President, Byron W. Moser, profits by this modern time-saver. Then act on our coupon offer below.

"YOU quickly form the habit of answering letters immediately on first reading. This gives them your best thought and gets them off your mind. You don't wait until several accumulate, 'So it will pay to call a stenographer,' and then waste your stenographer's time and your own while you re-read the letters to refresh your memory.

"That is, you gain all these advantages if you use The Dictaphone," says Byron W. Moser, President of the Security National Bank, St. Louis.

"In our offices," he continues, "Dictaphones save our executives so much

time ordinarily wasted in running about, in conferences and in other ways that none would think of doing without them.

"I think any business man makes a serious mistake if he does not use Dictaphones in his offices all down the line."

To business women, the testimony of Mathilde M. Woltjen, Secretary to Mr. Moser and Manager of the Women's Department of the Security National Bank asserts that The Dictaphone enabled her to rise to the responsible position she holds today

"Today I seldom do transcribing myself. I should not be holding my present position if I had not been a Dictaphone secretary. The Dictaphone gave me time and opportunity to show that I could handle many duties and thus become more valuable to the bank.

"We simply couldn't get along without The Dictaphone in my department.

"I always advise business women to use Dictaphones."

What's Wrong With Shorthand?

Executives say:—

- "If she could only take it as fast as I think."
- "I'm forced to cut dictation short."
- "If I could only dictate while it's fresh in my mind."
- "Out sick, so my letters have to wait."
- "When I'm here alone I'm helpless."
- "It's the 'ring and wait' system."
- "She can't help me with other things."

That's enough! I'll send in the coupon below on general principles.

**Mathilde M. Woltjen**

Secretary to Mr. Moser and Manager of the Women's Department of the Security National Bank asserts that The Dictaphone enabled her to rise to the responsible position she holds today

What's Wrong With Shorthand?

Secretaries say:—

- "No one else can read my notes."
- "Those awful waits while he chats over the phone."
- "I'm sure he said that, but . . ."
- "No time for real secretarial work."
- "These endless notes make me dizzy."
- "Hours wasted while he's in conference."
- "I'm nothing but a bell-hop."

That's enough! I'll show him this trial offer right now.

MAIL WITH YOUR LETTERHEAD

Dictaphone Sales Corp.,
154 Nassau St., New York City

☐ Please notify your nearest office to let me try the New Model 10 without obligation.

☐ I want to read what leading executives or secretaries say about increasing their ability with The Dictaphone. Mail me FREE copy of your booklet, "What's Wrong with Shorthand?"

I am a Secretary ☐
Executive ☐ (Check One)

For Canadian inquiries address Dictaphone Sales Corp.,
Ltd., 31 Melinda St., Toronto, Canada
World-wide Organization—
N-3 London, Paris, Brussels, Sydney, Shanghai, etc.

DICTATE TO THE DICTAPHONE

REG. U.S. PAT. OFF.

and double your ability to get things done



Gas

an aid to
Quantity Production

"A chain is as strong as its weakest link."

You use automatic machines. You employ quantity methods of production. But how about your fuel?

Remember this. Any uncertainty in the application of heat, strikes at the very heart of quantity production!

Automatic machines call for automatic fuel. Gas is just that. It is 100% controllable. With gas, you can increase or decrease the quantity of heat—instantly—to suit the exact speed of production.

The result is maintenance of production schedules, uniformity of product, and fullest economy. Have you yet investigated the merits of gas for your plant?

Write to the American Gas Association for information on what gas is doing for others in your line of business.

**American
Gas Association**
342 Madison Ave., New York City

We have an interesting booklet which we will be pleased to send upon request.

**You Can Do It Better
With GAS**



What the World of Finance Talks Of

By Merryle Stanley Rukeyser

PRESENT business experience pervasively avoids the patterns formed by precedent.

The typical schemes of the older trade cycles give no clue to the current long-term trend. Gradually the business and financial community is grasping this fact, and there is accordingly less belief that prosperity in the nature of things must end in the near future.

Clarence M. Woolley, president and chairman of the American Radiator Company, who used to run his enterprise on the basis of the business cycle theory, now believes that the business cycle has been adjourned. Scientific handling of the money market by the Federal Reserve System, whose life has been indefinitely prolonged by the adoption of the McFadden bill, lays the basis for a long-term period of prosperity, uninterrupted by major crises, Mr. Woolley told me. Mr. Woolley also feels that the widespread economic culture among business men, which is a new factor in the situation, is a main prop for the new business stability.

Likewise, Frank A. Vanderlip, who denounced the economic illiteracy of the American people in 1916, in discussing this question with me recently, declared that America is no longer a land of economic illiterates. Incidentally, Mr. Vanderlip has completely recovered from his recent serious illness. His complexion is ruddy, and he feels vigorous. The blue-eyed financier, whose hair is snow white, recuperated on his ranch in California and is now in New York enjoying his leisure. Although he has lived in the metropolis for thirty years, the former president of the National City Bank is just now getting acquainted with the varied aspects of the city. Freed from the executive load of running a great bank, he has time to walk leisurely and wander into the byways. His report is that New York is an interesting town.

IN DISCUSSING the departure of current business from the older norms, David Friday, economist, remarked:

It calls for a reexamination of much that has been written about the business cycle. What is the crux of the change which has occurred? The heart of the matter is the highly competitive nature of our industry today. Prices are being driven down by the competition of sellers, not by the lack of demand from buyers.

We have had a new industrial revolution in America during the last two decades. It has made unusual strides since the post-war depression of 1921. We are using our labor more efficiently and so are reducing costs. This has led to increasing profits and competitive price cuts. Despite the price cuts profits still remain high.

The other new factor in industry is the plethora of investment capital. The economist of one of the largest and most reputable financial services in the United States describes this as an entirely unprecedented

phenomenon in modern Anglo-Saxon civilization. As a result of this large volume of capital, accumulation interest rates remained low, despite the unprecedented demand for capital at home and abroad.

Within two years all Liberty bonds may well be selling on a 3 per cent basis. It is certain that investors will have to content themselves with a lower return for their money than they can get today.

THOUGH an optimist, Dr. Friday is not oblivious of the possibility of slackening movements in trade.

"The high efficiency," he points out,

and the low costs of production, together with the keen competition which they have bred in industry, are apt to produce some temporary effects which keep the stock market in a hesitant state for several months. If the increase in demand for products slackens, the decline of commodity prices will be accentuated. If any recession in demand occurs, we will certainly witness a marked decline of price index numbers. The business activity which we have enjoyed during the past year has not been able to produce and sustain a rising level for non-agricultural prices. In view of this fact, any recession in demand will be accompanied by a pronounced decline.

Such a recession in demand and in prices will reduce profits. Competition will be drastic. This will reduce the earnings of all concerns, and those which are less efficiently managed may well find their profits entirely wiped out for the time being.

With the present state of inventories such a recession will not continue long. Costs and prices will be readjusted and demand will go forward at a large volume shortly, upon a new and a lower price level, profits will be somewhat reduced, and the business community will be hesitant if not pessimistic.

It is possible that no such recession in demand for products will occur. If buying continues to increase and if the volume of building and construction is maintained, then profits will not decline. The underlying situation in the field of production and credit is too sound, and the volume of savings is too large, to admit of any long continued, ruinous decline of securities which have stable earnings and an established dividend policy.

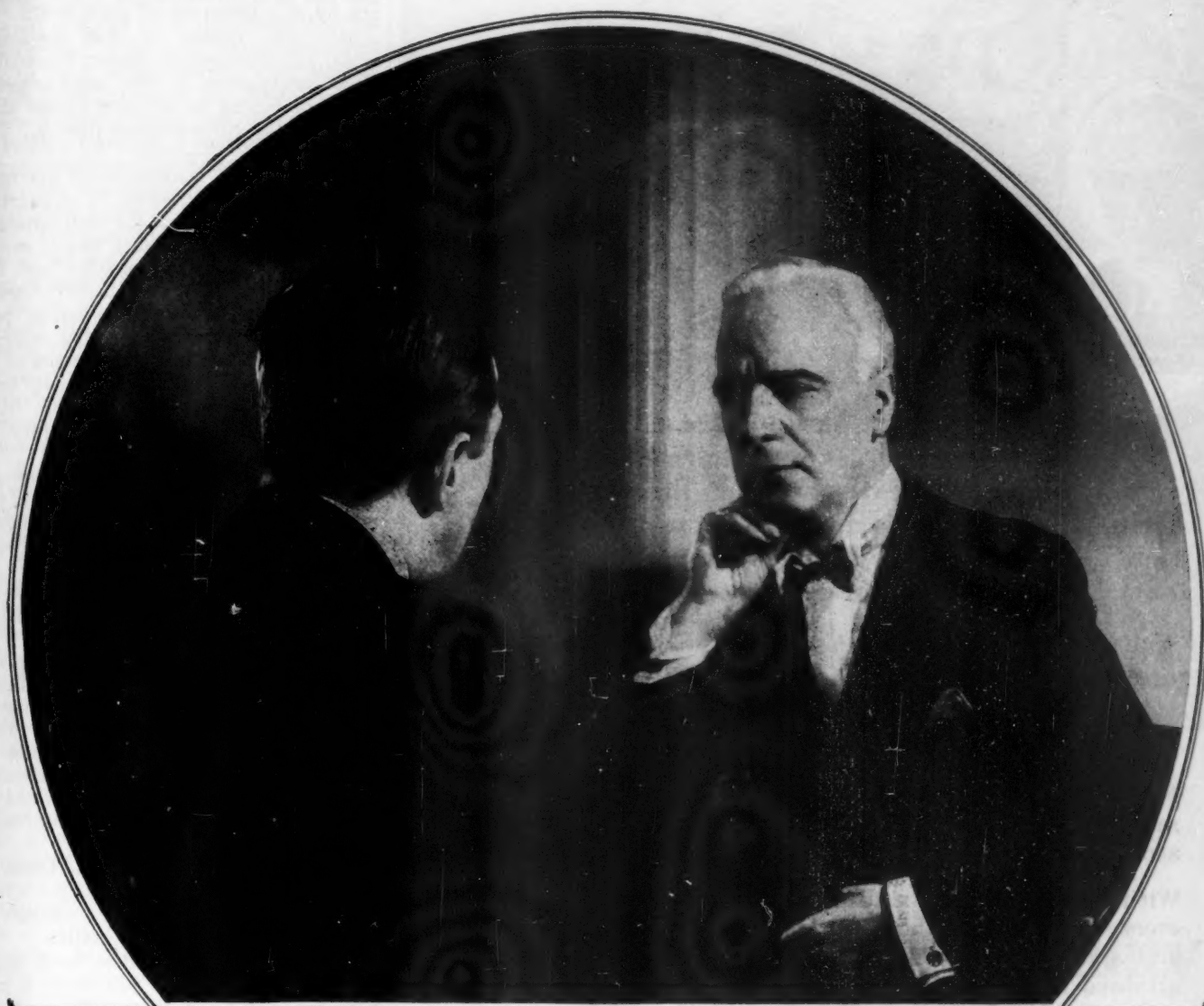
THE DOCTORS disagree about the future course of commodity prices.

In spite of the 1926 prosperity, prices declined 6 per cent.

Present forecasts represent little more than sophisticated guessing.

AS AGAINST Dr. Friday's belief that there may be a further decline, the Harvard Economic Service—another of our more dignified oracles, which has a respectable, though far from a perfect, batting average—has expressed the opinion that the decline already has approximately run its course.

The Harvard sages foresee the possibility of an upward movement on the theory



ASK YOUR BANKER

Look upon him as your Business Counsel

Ask your banker. Men in every kind of business respect his judgment. His ripe experience makes his counsel invaluable. During the whole of his business career he has been intimate with the most progressive methods of business and accounting—with every short-cut to efficiency. He is the man most competent of all to advise you on your figure-problems whether your business is large or small.

Ask your banker. He knows the value of having before you accurate figure-facts every day. He knows the advantages of modern figuring equipment and methods. Probably your banker will advise you to consult the local Burroughs man. For 98 per cent of the banks themselves find Burroughs machines the most dependable, accurate and labor-saving—a dividend paying investment. Ask your banker.

Burroughs Adding Machine Co.,
6274 Second Blvd.,
Detroit, Mich.

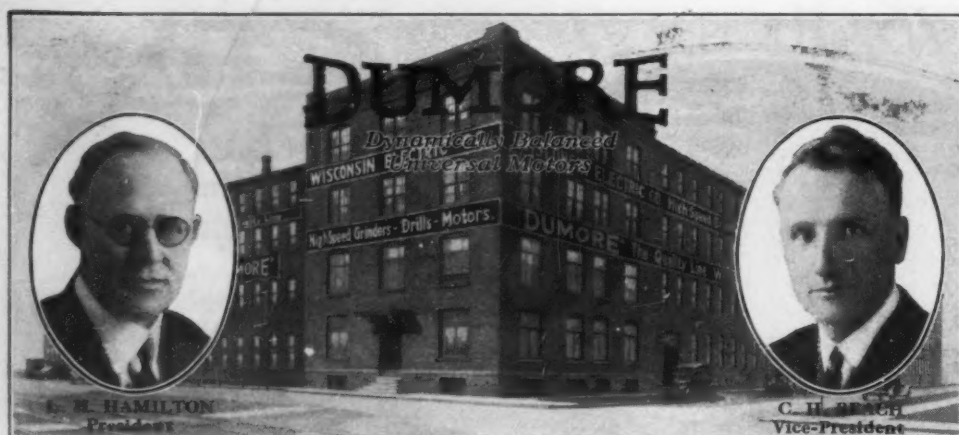
Burroughs

Burroughs Adding Machine
of Canada, Limited
Windsor, Ont.

ADDING BOOKKEEPING

MACHINES
FOR EVERY FIGURE
PROBLEM

CALCULATING BILLING



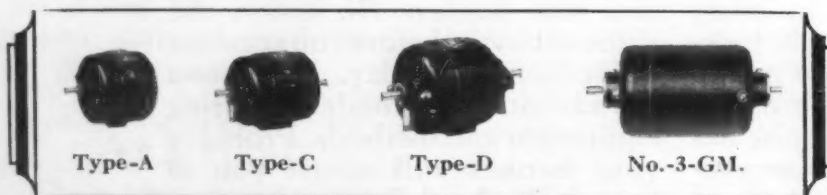
MORE than twenty years ago Mr. C. H. Beach, an officer of this Company, designed a Universal Motor, to operate on either direct or alternating current. This new motor opened up vast new fields of usefulness for electricity in homes, offices, stores and factories.

The Universal motor operates at such high speeds (around 10,000 r. p. m.) that even the least vibration is harmful. It hammers bearings out, makes the motor noisy, and wastes current.

Fourteen years ago the same engineer designed a special machine to *do away with vibration*—to balance motor armatures while running at actual service speeds.

With this machine our skilled operators detect and remove every vestige of unbalanced weight from every armature and spindle. Spindle speeds of 50,000 r. p. m. are now attained in Dumore projects, *without vibration*. This process makes perfect running balance an *exclusive feature* of Dumore motors.*

The use of vibrationless Dumore motors* improves the quality of any motor-driven device *without adding to its cost*. Whether you use 50 or 50,000 motors a year this organization can serve you well. Consult our Engineering Department.



*Dumore motors are used in Dumore Grinders, noted everywhere for the extreme accuracy of their work, quiet operation and long life. Many users of Dumore Grinders, recognizing the outstanding advantages of vibrationless motors, buy them for use in their own appliances.

The making of Dumore motors for other manufacturers is now an important part of this business. Orders ranging from less than 100 motors to lots of several thousands, in all sizes up to 1/4 H. P., are continually going through the factory.

Wisconsin Electric Company
89 16th Street Racine, Wisconsin

When writing to WISCONSIN ELECTRIC COMPANY please mention Nation's Business

that the recovery in Europe will contribute greatly to a firmer world price level.

My own opinion is that conditions, actual and prospective, suggest the wisdom of a continuation of the hand-to-mouth policy of buying in all lines except those where special circumstances prevail.

AUTOMOBILE manufacturers are making a supreme effort to stimulate a demand on a high scale for their products. New lures have been added, and in several important instances prices have been further reduced. One quality manufacturer is selling a sedan for half the selling price quoted seven years ago. Another maker of fine cars is making a smaller model of the same high quality at a substantially lower price. The industry is on its toes, trying (and evidently succeeding) to appeal to popular desires and needs.

The industry has grown by perpetually improving the product. In view of the progress which has been made, it is doubtful whether the changes of the next decade will be as drastic as those of the last.

I recently discussed this question in Detroit with Frederick J. Haynes, chairman of Dodge Brothers.

"Present types of automobiles," he said, "are well advanced, but new ones will come in. I think the next major change may be the adoption of the Diesel engine, which would tend to increase efficiency and cut costs. In the Diesel engine, fuel is ignited by compression. Such a change would enable the manufacturer to eliminate numerous parts."

Mr. Haynes indicated that the Diesel engine for automobiles is a matter for further study and experiment, not a change for which the industry is now ready.

Concerning the business outlook, he remarked: "I think 1927 will prove a good year, but it will take more effort to do the same amount of business. Competition will be keener. Every manufacturer will have to scan methods of production and merchandising, with the idea of eliminating all useless waste and expense."

Mr. Haynes is one of the real veterans of the youthful motor industry. He met John Dodge in a bicycle factory in Hamilton, Ontario, in 1900. He has been in the automobile industry for twenty-seven years. He joined Dodge Brothers when they started their own concern and became president in 1921. Detroit refers to him as the man who took over a machine shop and sold it in Wall Street for \$146,000,000.

Graduate mechanic, Mr. Haynes is an essentially practical man. His chief hobby, however, is indicative of his kindly nature. At his farm at Fenton, Michigan, he is developing a game preservation center, where deer, wild mallards, geese and pheasants may seek safety during the hunting season.

Mr. Haynes has friendly blue eyes. His hair is gray and is parted at the left.

THE WAGES of capital have been falling so rapidly that investors are looking for new fields to conquer.

They have been turning from domestic to foreign bonds—and also from bonds to stocks.

It is a sign of the times that a nationwide bond house for the first time opened

a stock department recently. It started in with Southern Railway, which in the last year or two has been registering the impression that it has been transformed from a weak to a strong carrier. Its striking development—physical and financial—is a tribute to the capable management given by Fairfax Harrison, a southern gentleman and attorney who has been president since 1913. Mr. Harrison's father was secretary to Jefferson Davis.

Mr. Harrison was one of the first to foresee the recent marked industrial awakening in the south. He arranged the financing to get his railroad ready for the new demands that would be made upon it as early as 1914. When the outbreak of the war in Europe threw this country—and particularly the south—into a temporary depression, he was able to break the economic deadlock in his territory by employing huge gangs of men for railroad building and development.

Outsiders of vision were soon attracted toward Mr. Harrison's policy of remaking the Southern. Walter Case, a New York financier, and associates began to buy heavily into Southern despite general derision in Wall Street. The new group stuck to its guns during the vicissitudes of the war and post-war markets. Suddenly scarcely more than two years ago the laconic news was printed on the ticker that Case, Pomeroy & Company were in control of the Southern Railway, which hitherto had always been known as a Morgan road.

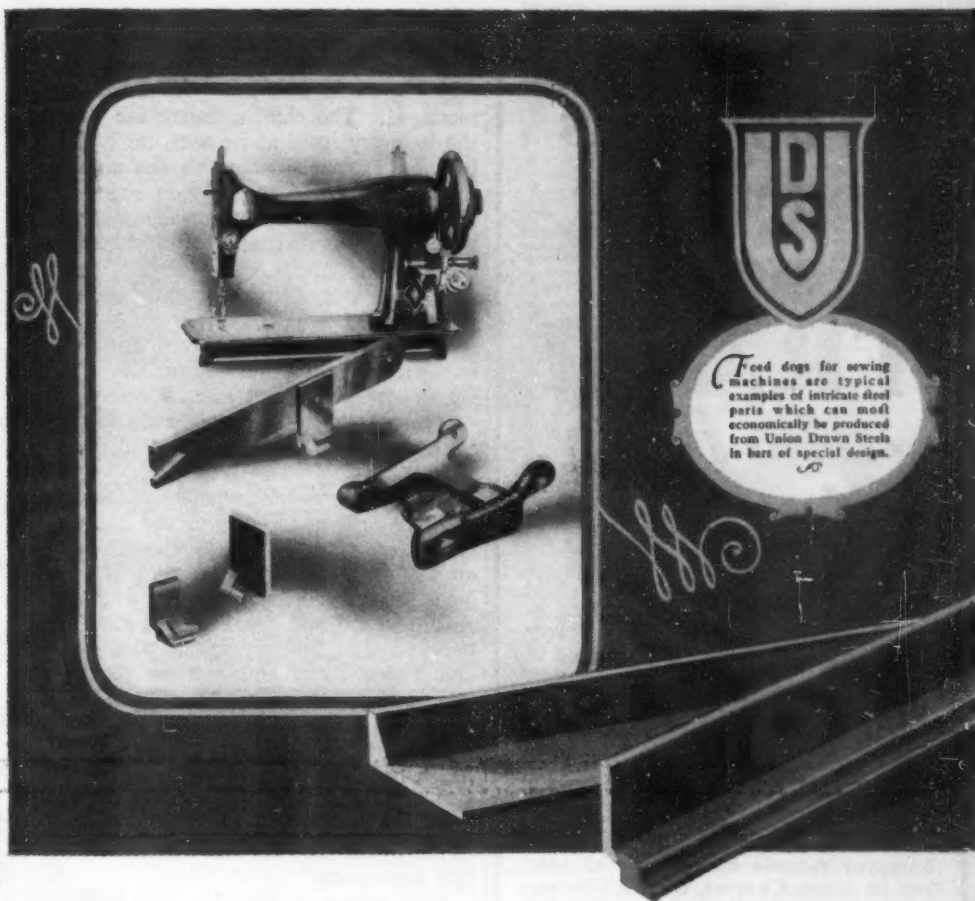
The emergence of Walter Case as a new Wall Street leader emphasizes the rising prestige of technically trained men in the financial world. Financial success is going increasingly to real students rather than to rule o' thumb pioneers who act only on hunches. Mr. Case had been statistician for the banking house of Ladenburg, Thalmann & Company for many years. In 1916 he was in Pittsburgh in connection with new Duquesne Company financing. He met Theodore Pomeroy, who was there on the same mission, representing a Chicago investment house, for which he sold bonds. As a result of the meeting the house of Case, Pomeroy & Company was formed. The talents of these two men were supplemented by the capital and skill of Jeremiah Milbank, a brother-in-law of Mr. Pomeroy, who became chairman of the board.

The financial house is unique in that it has no dealings with the public. It invests only for its own account.

THE INFANT American airplane industry shows signs of further rapid growth. Numerous privately owned new airplane routes have been projected, and will be in operation by the summer.

William T. Mayo, chief engineer of the Ford Motor Company, which is actively engaged in airplane building, believes that regular airplane passenger service is near, and that individual flying on a large scale is also in sight.

THE BUSINESS community is apathetic toward the threatened bituminous coal strike, which has been scheduled for April 1. At this writing, the aims of the United Mine Workers of America and the employers seem irreconcilable, but local compro-



*The proof of true quality
is often determined
only after years of
service* ~ ~ ~ ~ ~

UNION DRAWN STEEL CO. *Beaver Falls, Pa.*

UNION DRAWN
STEELS



Who steals your purse steals TRASH -who finds it cannot use it

IF its contents—the money you carry about with you for every-day use—is in *American Express Travelers Cheques*.

"Trash" because these Cheques are *only TRASH* to the thief—and of no possible good to the finder, should you lose your purse—since neither thief nor finder could use *your* Cheques without committing forgery. In either case *you are not the loser*; for the American Express Company refunds the amount of your lost or stolen Cheques, if such Cheques are uncountersigned or not exchanged for value.

The every-day use of American Express Travelers Cheques—right at home or on travel trips—is simple common sense.

Crime, Theft, Robbery, are of daily occurrence. Personal carelessness in the handling of money is a national weakness. Ordinary money is so easily lost; so seldom recovered.

Conceived and originally issued by the American Express Company 36 years ago to safeguard the funds of travelers abroad, these Cheques today are of *even greater value to people who don't travel at all*.

The enormous and steady increase in the sale of American Express Travelers Cheques for every-day use is convincing proof of their timely, economic and serviceable value.

They are the soundest type of insurance—protection of that which you are bound to carry—*money*. They come in convenient denominations from \$10 up, and cost only 75 cents for each \$100.

FOR SALE AT 22,000 BANKS,
AMERICAN EXPRESS AND AMERICAN
RAILWAY EXPRESS OFFICES

American Express Travelers Cheques

Secure your steamship tickets, hotel reservations and itineraries; or plan your cruise or tour through the American Express Travel Department

mises may be made. Irrespective of the immediate outlook, the coal industry is a sore spot in the business system—wretchedly organized and none too competently managed. The chief sufferers are those in the industry itself at present, for a flow of business from the union to the non-union mines in the last three years reduces the hazards of public inconvenience from a rupture in industrial relationships. The large public utility and railroad corporations have stored up much soft coal during recent months.

In the heightened new competition, coal has yielded somewhat since the war to water-power, oil, and gas. Moreover, the central stations and the railroads have burned coal with much greater efficiency.

CHICAGO is advertised by its critics. Los Angeles recently served notice that it soon expected to pass Chicago in size and ultimately would run ahead of New York. Moreover, J. B. Book, Jr., leading realtor of Detroit, recently told me that he believed that Detroit would pass Chicago and Philadelphia and become the second city in the United States.

Meantime, Chicago continues to be joshed on the stage and in literature. A play, which bears the city's name, hints that the middle western metropolis has a penchant for female murderers, and H. G. Wells referred to the city as "that singular relapse into barbarism."

As a native of the city, this writer represents the imputations against the second city, which continues to grow rapidly in size and in maturity.

Chicago, like the whole middle west, however, has been somewhat adversely affected by the opening of the Panama Canal, which in terms of freight rates brings New York closer to San Francisco than Chicago. The Panama Canal competes with the transcontinental railroads in respect to westbound traffic more than in regard to eastbound freight. For the swifter service of the railroads appeals to the shippers of perishable fruits and other agricultural products from the coast.

INCIDENTALLY, William Z. Ripley, who became a front page hero when he attacked certain financial practices of public utility and railroad corporations, has reappeared in a new and less sensational rôle. He has sounded a trumpet to usher in the golden age of American railroading.

For decades, Dr. Ripley has been known in select company as a capable economist and student of the railroads. About two years ago, however, he became known to a larger audience by entering the public thoroughfares and, like a David, slinging a stone at the Goliath of Big Business. Many mistook him for a muckraker, but he is primarily a conservative, old-fashioned New Englander with a zeal for what he considers right.

Reviewers of his new book, "Main Street and Wall Street," have been diverted to the more spectacular and flamboyant side of the Harvard scholar by the blurb writers. And yet the sensations in the book are nearly all repetitions of his previous outbursts in speeches and in articles. The genuinely new material, which has been

rather generally overlooked in the press notices, relates to the railroad situation, which is Dr. Ripley's special field. After the passage of the Transportation Act of 1920, Dr. Ripley was engaged by the Interstate Commerce Commission to draw up a plan for railroad consolidations.

In one respect only does the railroad situation today appear to be unsatisfactory. Thus far the Interstate Commerce Commission has been somewhat hesitant, according to my thinking, in granting an adequate return upon these investments. This is, however, a matter which may be speedily rectified, given the necessary courage and foresight on the part of this august body. It should be said on its behalf, moreover, that under the heavy responsibility as to results which its members are compelled to bear, it behooves them to be circumspect.

Is Dr. Ripley speaking as an ex-consultant of the Commission, as a director of the Chicago, Rock Island & Pacific, as a professor of Harvard University, or as a candid observer of the business scene? He holds all of these credentials.

All told, then, is there not an encouraging outlook for the railroads ahead? It was never so bright as it is now in 1927. Remember the conditions, but a few years ago, when the roads were turned back to their owners by the Government! It is almost like seeking to recall those trying days of the war when the British stood with their backs to the English Channel. It has been no mean achievement to bring these properties up to their present high state of efficiency. Only two requirements remain to be fulfilled: namely, a slightly more generous rate level, here and there, and a vigorous and consistent attitude toward consolidation. Those things accomplished, our railroad matters would seem to have been firmly established on a secure and lasting foundation.

ACTUAL consolidation is proceeding somewhat slowly, and apart from the details of the Ripley plan. The United States Chamber of Commerce and most railroad executives favor a modification of the law so that the Interstate Commerce Commission may be freed of the obligation to draw up a final plan of consolidation before considering individual projects which financiers bring before it.

Dr. Ripley offers the following suggestion as a way out:

The requirements of a general plan for the country at large shall continue as it now is in the law, being neither repealed nor postponed, but that the practical difficulty be met by moderation of the present requirements for a complete plan, delivered in one edition, out of hand. I would permit it, instead, to be adopted piecemeal, as occasion may require. I would amend the law so that such a plan might be published by regions, with the elimination of short lines, terminals, or properties jointly owned—even without the assignment of particular roads, but only, if you please, with the statement of general principles or policy, as the case might be.

I am confident that a way will be found to bring about this equalization of opportunity under consolidation, so that the fixing of rates at a fair level will be rendered practicable at last.

AT PRESENT two major intermediate plans are before the commission. First, the plan of Arthur Curtiss James



An eastern railroad cut their repair gang from 25 men to 3 after replacing galvanized steel with Armco ingot iron on their waterfront piers. Armco ingot iron used as siding, gutters and downspouts.

Water fans this fire* all industry is fighting!

Every business pays heavy toll to RUST—unless insured with *Armco* ingot iron, the rust-resisting sheet metal . . .

IT'S USELESS to turn in an alarm when *this* fire is discovered in a plant! Rust is a fire that hose and sprinklers are powerless to quench.

In fact, every industrial executive whose equipment is exposed to water or moisture-laden air knows how water *hastens* rust-fire.

These men know, too, how treacherously rust strikes at the busy equipment of industry . . . tying up many a plant for expensive repairs . . . writing up overhead that should have been profit.

That is why so many are insuring against avoidable rust-loss by specifying *Armco* ingot iron for all sheet metal work. Here is a metal that is practically free from the impurities that cause rust. It is

the purest iron made. *In thousands of plants, Armco ingot iron is outlasting steel and other irons by long years.*

All equipment exposed to water . . . docks, warehouses, boiler tubes, tanks, mine cars . . . lasts longer when made of *Armco* ingot iron.

In every industry this rust-resisting iron is saving thousands of dollars on repair jobs put off for years. When repairs are necessary, *Armco* ingot iron speeds the work, because it is so ductile and easy to handle. And isn't it poor economy to build with less enduring metal when sixty cents of every dollar is spent for labor?

The *Armco* Triangle stamped on every sheet of metal is your best ally in fighting rust. For this triangle identifies the most enduring iron made.

And in the HOME

Home owners and builders, too, are saving the cost and annoyance of frequent repairs. They are insisting on galvanized *Armco* ingot iron for gutters, downspouts, flashings . . . and other weather-exposed metal parts about a house.

Here, *Armco* ingot iron offers a double protection against rust. For it takes and holds a coat of zinc much purer than the galvanizing on steel. Look for the sheet metal shop in your neighborhood that displays the *Armco* ingot iron Shop Sign.



AMERICAN ROLLING MILL COMPANY
MIDDLETOWN, OHIO



ARMCO

INGOT IRON
RESISTS RUST

***RUST-FIRE!** The only difference between rusting and burning is time—both are oxidation. You can feel and see the fire produced by rapid burning. But when metal rusts, the process is too slow to see. Rust is the "ash" of this fire.

The rising flood of Dakota

THE earliest pioneers halted at the far fringes of the forest, startled at the vastness of the rolling prairieland that swept away to the sunset. Startled and awed by this mysterious meadowland, carpeted with wild flowers, streaked with sparkling rivulets and the broad channels of great rivers! Amazed at the endless herds of bison grazing over thousands of miles of treeless plains!

Here was the dazzling land of the Dakotas. Today the dark brown soil, rich in all necessary elements, is being submerged under alfalfa and corn—corn, the golden gauge of civilization. For where there is corn there is agricultural stability—silos, milch cows, pure-bred cattle, hogs, poultry, a complete diversification that raises the standards of living and insures against the depression that often follows one-crop failures.

CHARACTERISTICS: The eastern Dakotas constitute a geographical continuation of the rich plains of Iowa and Minnesota. It is simply newer country rapidly taking on the characteristics of the old. Southeastern South Dakota is one of the richest corn areas in the world. From this point the flood of corn moves northwestward, giving place by degrees to wheat and flax and the open range. Farms dot the prairie even in the remotest parts; and thriving towns are springing up rapidly. Coal is abundant!

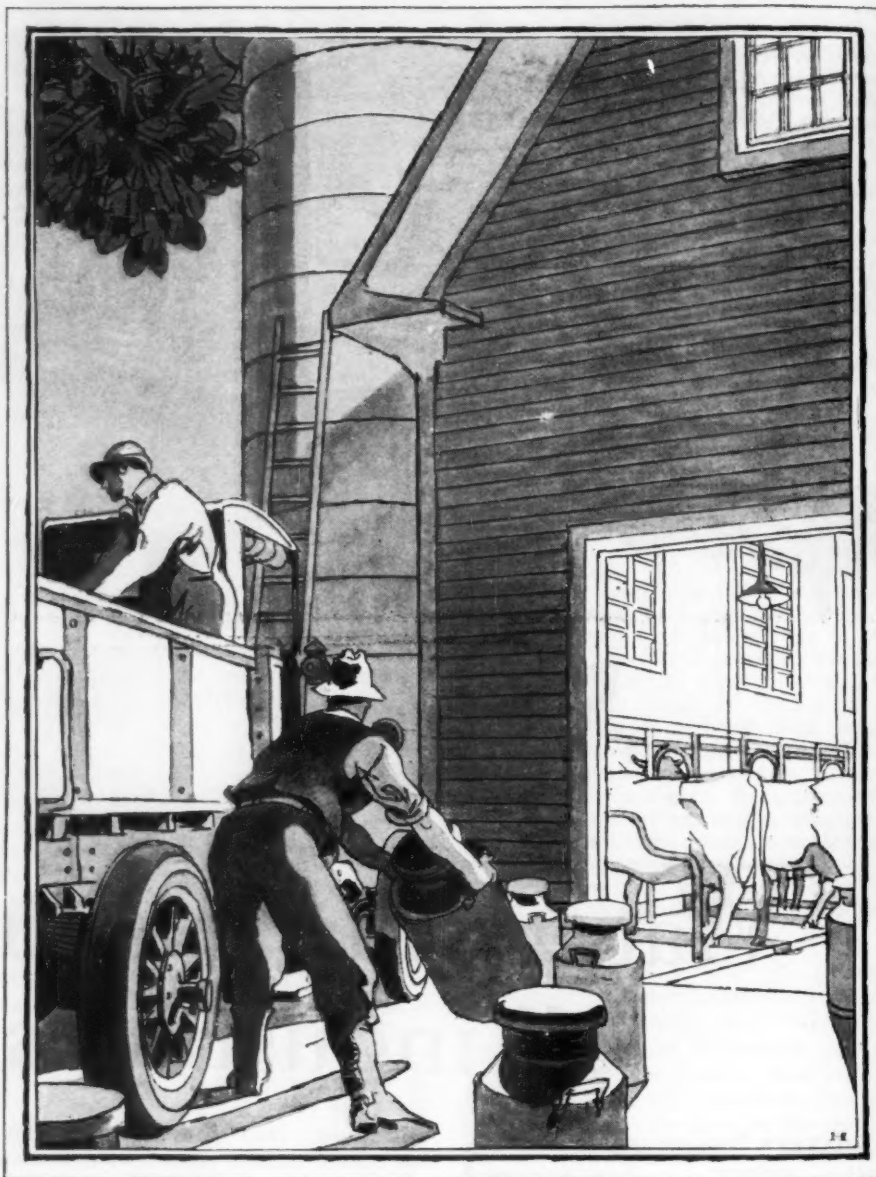
INDUSTRY: About 80% of the population of the eastern Dakotas is agricultural. The industries centering in cities like Sioux Falls, Mitchell, Fargo, Aberdeen, are chiefly packing livestock products, distributing agricultural implements, shipping grain and distribution and maintenance of transportation.

AGRICULTURE: South Dakota, as a state, though 36th in population, ranks 8th in corn production, 4th in spring wheat, 5th in barley, 3rd in flaxseed, 5th in oats, 4th in rye and 1st in wild hay. These are the leading growing crops, though the yield of a variety of other crops, principally alfalfa and clover, is very high. Cattle are raised at high profits because of the cheapness of forage.

A virile generation

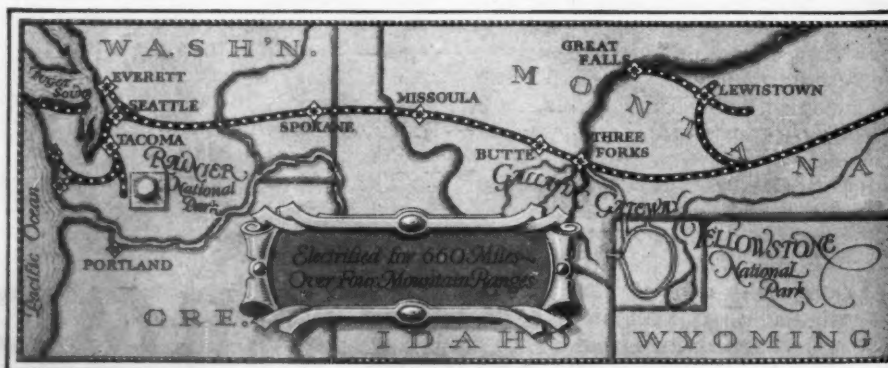
The Dakotas have existed as states for only 36 years. Modern ideas, therefore, govern their aspirations. Community life is very strong, and the interest paid to education is striking. Education is provided for everyone, with special provisions for the transportation of children living at a distance from schools, and advanced education for those who have no high schools in their vicinity. The state colleges, normal schools, and technical institutions have a high reputation. All leading religious denominations are represented in the larger communities.

The Dakotas are young—virile—boiling with energy and ambition and new ideas. As rapidly as tractor plows can turn the virgin sod new wealth is being created. The present generation is bound to see tremendous expansion in industries and agricultural wealth.



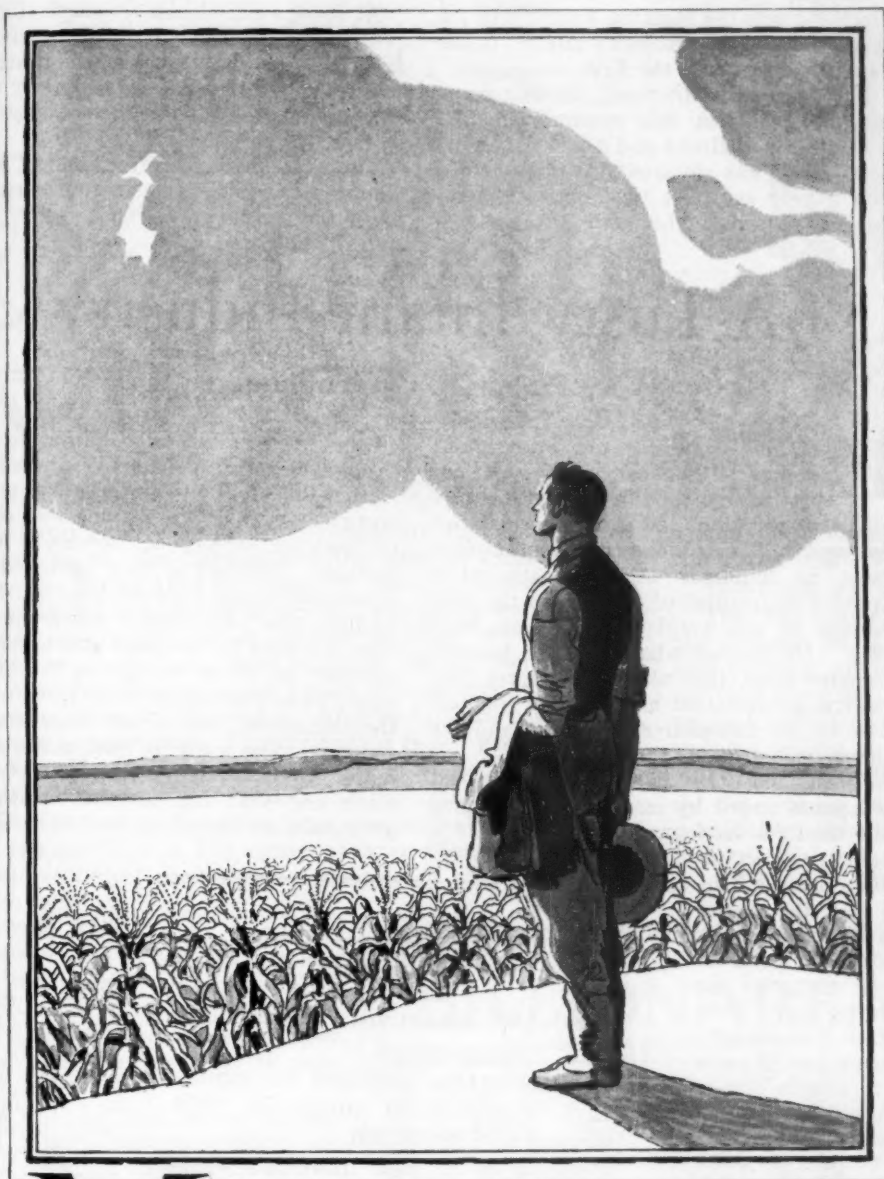
SHORTEST AND MOST MODERN
ROUTE TO THE
PACIFIC AND FAR EAST

The

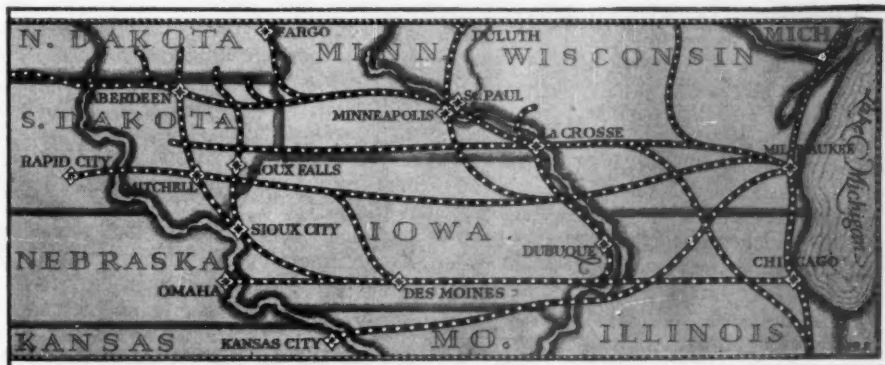


The recognized route between Chicago, Milwaukee and Twin Cities,

corn flows out upon the plains



MILWAUKEE ROAD



Kansas City, Omaha, Des Moines, Sioux City, Butte, Spokane, Seattle, Tacoma

Railroad pioneering

WITH the coming of the railroad the fertile Dakotas passed from the pioneer stage. Cultivation of the rich prairie soil and the development of modern towns followed the construction of railroads that replaced the tedious and costly wagon trains. They provided swift, economical outlets to great markets, and brought back tools of production, necessities and luxuries of life, and settlers in an endless stream. Chief of the great pioneering roads was the Chicago, Milwaukee & St. Paul.

The Milwaukee Road is closely identified with the story of progress throughout all the vast block that forms the northwestern quarter of the United States. Commencing in 1851 from Milwaukee westward, it has grown into a system 11,000 miles long, employing 60,000 men. Electrified for 660 miles from Montana to Puget Sound!

The newest revolutionizing improvement is the equipment of passenger cars with roller bearings!

The Milwaukee Road extends from Chicago to Kansas City, Omaha, Des Moines, Sioux City; to Milwaukee and the upper Michigan Peninsula; to Minneapolis, St. Paul, Duluth; westward to the Black Hills; and to Butte, Spokane, Seattle, Tacoma, the Olympics and the Pacific!

For beauty and for profit

Whether you are planning a business trip or a vacation, the opportunities along the Milwaukee Road are unsurpassed. From the ten thousand lakes of Minnesota, across the golden splendor of the plains, through the Belt, Bitter Root, Rocky and Cascade Mountains, to the glories of the Olympics and Puget Sound, there is a diversity and richness of beauty that has no parallel. The trend of commerce towards Pacific outlets makes this region one of most vital interest to business leaders.



Chicago, Milwaukee & St. Paul Railway
Room 884, Union Station, Chicago, Ill.

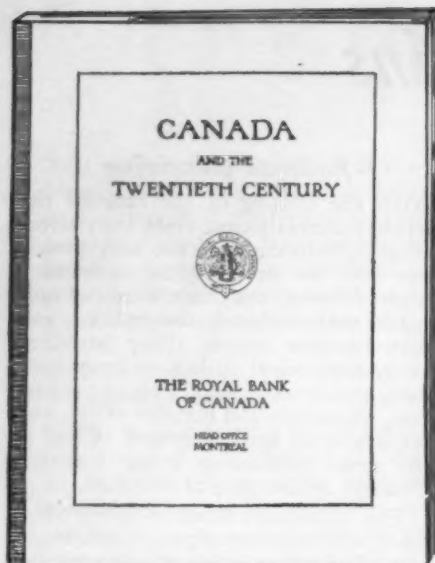
Make a check before the region that interests you. We have the closest co-operation with Chambers of Commerce and other business organizations who will supply you with detailed information.

- | | |
|---|---|
| <input type="checkbox"/> Puget Sound | <input type="checkbox"/> Eastern Dakotas |
| <input type="checkbox"/> Inland Empire | <input type="checkbox"/> Omaha—The Western Gate |
| <input type="checkbox"/> Industrial Montana | <input type="checkbox"/> Minneapolis-St. Paul |
| <input type="checkbox"/> Kansas City | <input type="checkbox"/> Wisconsin |
| <input type="checkbox"/> Agricultural Montana | <input type="checkbox"/> Iowa |
| | <input type="checkbox"/> Upper Missouri R. Valley |

Name _____

Street _____

City _____ 5-D



If Canadian Business Interests You—

YOU will be glad to have this book descriptive of Canadian trade and resources. Comprehensive and clearly written articles, statistics attractively presented, the whole illustrated by many full-page photographs—these are some of the features of "Canada and the Twentieth Century."

Write for a copy to our New York Agency—68 William St. est, enclosing your business card.

The Royal Bank of Canada



IT'S GONE and IT'S OUT

No more tapping the busy end of a cigarette. Just drop it in the

No-ODOR Ash Receiver

where it is instantly smoothed in the weighted base. No fumes—no muffs—no trace.

Prevents fires—saves rugs—and tempers. Keeps air clean and everybody happy in home, office or club. Five Attractive Duco Finishes: MAHOGANY — WALNUT — MOTTLED GREEN — SHADED GREEN — SHADED RED.

Insist on securing the genuine NO-ODOR with its many superior features. If you cannot conveniently get it at the store, tear out this ad and mail with your name and address.

A NO-ODOR will go to you at once C. O. D. for only \$9.00, shipping charges paid. Money refunded if not entirely satisfactory. Specify color.

THE RISDON MFG. CO.
Department N-1 Waterbury Branch
WATERBURY, CONN., U. S. A.

and associates to unify the Great Northern, the Northern Pacific, the Burlington and the Spokane, through the formation of a new operating company. The second is the revised Van Sweringen program under which the Chesapeake & Ohio Railroad, which controls the Hocking Valley, asks for permission to buy a majority interest in the Pere Marquette and the Erie.

If this step is authorized, the next move would be to join this system with the Nickel Plate Railroad and achieve the purpose which was thwarted by the commission a year ago. At that time the commission approved the transportation as-

pects of the Van Sweringen conception, but rejected the petition because of disapproval of financial details.

WALL STREET'S favorite story of the month:

At noon, a Scotchman telegraphed a proposal to a young lady. He received a favorable reply the following morning.

A friend advised him not to marry a girl who hesitated for hours before answering so sacred a question.

The Scotchman, however, said: "A lass who waits for night rates before telegraphing is the lass for me."

A Lusty Infant Industry

By Francis J. Oppenheimer

ELECTRIC refrigeration, an infant prodigy of the commercial world, not only has put hundreds of millions of dollars to work for the nation's health but has created a new industry giving employment to hundreds of thousands, while opening undreamed of markets in the four corners of the world for American business. No matter what else our bankers disagree upon, they all seem to agree that electric refrigeration has a future comparable to the automotive, the radio and the movie industries.

Then, too, the aggressive educational campaign waged by manufacturers, urging the need for food preservation, has had a

of the United States amounting to more than seven billion dollars by a recent estimate. Public service corporations are not sentimental. They are playing with electric refrigerating corporations because it is good business. Through it they increased their revenues last year by more than \$3,000,000. Besides, this new service which they are able to render to the home and to industry requires no extra outlay in line equipment, while creating a steady load to offset the diminished use of electric current in summer. The value of raw materials required to manufacture the 400,000 units made last year ran to \$75,000,000, with gross sales estimated at near \$150,000,000.

Some Facts About This New Industrial Giant

Over 250 industries in line for electric refrigeration.

Raw materials required to manufacture the 400,000 units in 1926 amounted to \$75,000,000.

Gross sales of raw materials estimated at \$150,000,000.

Increased revenue power houses 1926—\$3,000,000.

Though developed commercially as far back as 1914, electric refrigeration was practically unknown to the general public for ten years. In 1924, popular interest in refrigeration began to show itself. Twenty-four thousand housewives were "plugging in" for polar cold, not to mention the thousands upon thousands of butchers, ice cream makers, florists, restaurant and hotel men who were using electric current for commercial refrigeration.

When, in 1925, production trebled itself over 1924 with a sudden jump to 75,000 units, bankers began to take notice. It is variously estimated—for the Department of Commerce is without exact statistics—that from 250,000 to 450,000 units will be produced this year. In two years from now there will be 2,000,000 domestic electric refrigerators in homes, 5,000,000 in five years, 10,000,000 in ten years!

Before the beginning of last year there were 142,000 units of electric refrigeration in use in the domestic field. Moreover, there are some 14,500,000 homes in the United States wired for electricity. These are increasing at the rate of 1,500,000 an-

Arthur Williams, vice-president of the Edison Company of New York, believes "Domestic electric refrigeration is today in practically the same place as the automotive industry was twenty years ago."

Not an extravagant statement when it is recalled that to its own invested capital other hundreds of millions more are allied with the promotion of this new industry, representing the combined capital of the great electric refrigerating corporations, not to mention the stupendous total capital of the Electric Light and Power companies

When writing to THE ROYAL BANK OF CANADA and THE RISDON MFG. CO. please mention Nation's Business

In measuring the value of newspaper circulation, an advertiser is interested only in that part which gives effective coverage in any given market. It is essential to determine where circulation is heavy, where it becomes less effective and where it ceases to be sufficient to be of value.

To visualize the effectiveness of a newspaper's coverage, use the target method of analysis. This gives you the circulation coverage for the metropolitan district, and separately for each successive ring of counties beyond it.

The truth will out!

when P+D+C is applied

Around each city is a metropolitan district of a few square miles, the natural trading area of that market. You can prove this to yourself. As you drive in your automobile toward any large city, you know immediately where the metropolitan district begins. At a certain point, you pass from open country, where there are ten to fifteen families per square mile, into suburban and city districts, with a thousand or three or four thousand families per square mile. The transition is not gradual—it is sudden. No one could go far wrong in marking the actual market boundary line of any metropolitan city.

Within the metropolitan area, concentration of families per square mile is 145 times greater than in the small town and rural communities outside of that area. The average production per square mile is 500 times greater. The average purchasing power per family is $3\frac{1}{2}$ times greater. Within the metropolitan area, you can get effective newspaper coverage—outside of it you cannot.

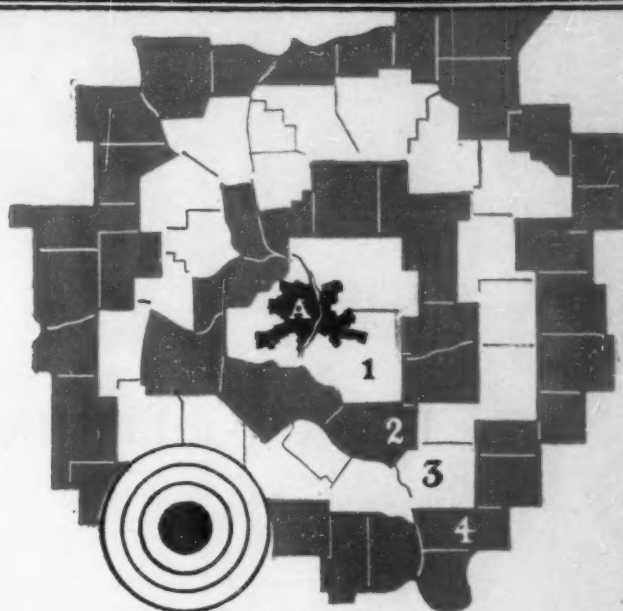
It follows that where people and dollars and circulation are concentrated, there is the greatest opportunity for volume selling at low cost.

These self-evident facts have developed the P+D+C principle of selecting markets and advertising media.

P is population, measured in families, because these are the buying units.

D is dollars or annual wealth production, because this is the measure of purchasing power.

C is circulation coverage as represented by the percentage of families reached, because this



measures your ability to influence the buying habits of the entire market.

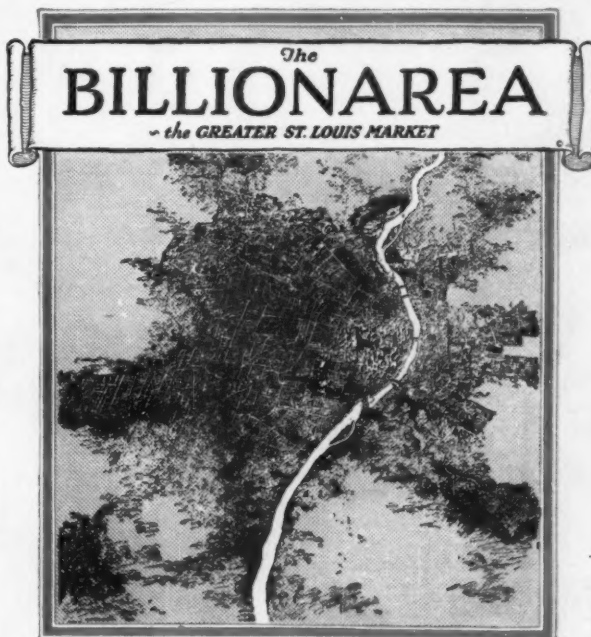
The truth will out when P+D+C is applied.

The St. Louis Post-Dispatch has carefully analyzed the Greater St. Louis Market. As a result, it has been able to draw an irregular line on the map, which includes all that territory where population, dollars and newspaper COVERAGE are sufficiently concentrated to make volume selling possible at the lowest cost.

This is The Billionarea—not a mythical zone arbitrarily determined to suit a particular sales argument or a particular newspaper's circulation, but the true and natural St. Louis trading area such as any sales manager would define. The Billionarea contains a million people who earn and spend more than a billion dollars a year.

The St. Louis Post-Dispatch reaches practically every family of buying consequence in the entire area—30,000 more such families daily, 80,000 more such families Sunday—than are reached by any other St. Louis newspaper. This concentration within the true and natural trading area of metropolitan St. Louis brings highly profitable results, as shown by the fact that the Post-Dispatch carries practically as much total advertising—national, local and classified combined, as all other St. Louis newspapers added together.

The P+D+C Manual describes the P+D+C and the target method of market and newspaper analysis. Sent on request to anyone interested in the advertising and sales opportunity of this market.



ST. LOUIS POST-DISPATCH

The highest ranking P+D+C newspaper of The BILLIONAREA—the Greater St. Louis Market

NEW YORK 286 Madison Ave. CHICAGO Tribune Tower DETROIT General Motors Bldg. KANSAS CITY Coca Cola Bldg. SAN FRANCISCO 564 Market St. LOS ANGELES Title Insurance Bldg. SEATTLE Union Record Bldg.



Tested Banking Service

"Our business relations with you have been extremely pleasant and most satisfactory."

"Our connection with your bank has been a long and pleasant one. We feel that you have treated our various affiliated corporations liberally and have granted them accommodations within reason at all times."

THESE statements by executives of two large manufacturing concerns, one of which opened its account with us in 1890, the other in 1908, were prompted by the competent service which American Exchange Irving Trust Company has given them for many years.

This Company's Out-of-Town Office, which is a complete banking unit devoted solely to handling the business of out-of-town customers, offers tested service developed through many years of wide experience.

This Company's resources of over \$600,000,000 are sufficient to meet every seasonal demand.

OUT-OF-TOWN OFFICE

**AMERICAN EXCHANGE
IRVING TRUST COMPANY**

Woolworth Building, New York

nually. Of these, 5,000,000 possess electric vacuum cleaners, 3,500,000 electric clothes washers, 370,000 electric ranges, 222,000 electric ironing machines, and 125,000 electric dish-washers.

There are 2,000,000 wired homes in eleven western states where power is cheaper than in the east—and ice dearer. The small town market, business men say, will be especially receptive to this new domestic service. Farm homes are being studied. With them refrigeration is a great problem. Many farmers operate power equipment for lighting and pumping which could easily be applied to electric refrigeration.

In the commercial field, 250 industries are in line for electric refrigeration, according to a McGraw-Hill survey; 3,000,000 stores handling food products requiring refrigeration; over 400,000 ice cream parlors and soda fountains which run up another million prospects. In addition there are 25,000 hotels, 62,000 druggists, 75,000 meat markets, 250,000 restaurants and cafeterias, and 600,000 retail grocers.

Electric refrigeration has a large future in foreign countries. This is evidenced by the facts that China was the largest export customer of the Electric Refrigeration Corporation in 1925 and that Japan has the greatest per capita electrical current production in the world. South America is awakening to the needs of electric refrigeration, and the depreciation in French currency has caused the country people to buy all sorts of modern electrical appliances.

The two afternoons I visited the British Parliament, summer before last, members were solemnly debating the need for more modern methods of refrigeration. The British Dairy Farmers' Association is now planning an International Dairy Congress that will give wide publicity to the part played by electric refrigeration in health and elimination of waste.

The idea of electric refrigeration has sold itself. That's the trouble, Housewives unfortunately sometimes find that they've bought little else for their money. As H. E. Dexter, in charge of the electric equipment of the Department of Commerce, told me these "off-standardized machines put out by underfinanced companies do not contribute to the elimination of waste." Like the early days of the oil burner, these "underfinanced, off-standardized" machines need more "servicing" than they give service.

Introduction of Ethics

THAT'S the reason six of the leading manufacturers of electric refrigeration are now cooperating on a national publicity program through the Society for Electrical Development, for the purpose of making competition constructive, a plan approved in principle by Herbert Hoover and Thomas A. Edison, who wired his congratulations to the Society for having placed electric refrigeration "upon the high plane it deserves."

Dr. Louise Stanley, director of the Bureau of Home Economics, Department of Agriculture, who addressed this society at its last conference, informed the delegates of the Society of Electrical Development that there was more drudgery in American homes today than they had any idea

existed—that more electric labor-saving devices were needed. She also told me in Washington recently that she knew of a home where the only labor-saving device was an extra water-bucket enabling the housewife to make one trip to the well do for two. Dr. Stanley is planning a survey to determine facts as to the part electric refrigeration plays in food preservation. This authoritative data will become the property of this society and the Electric Refrigeration Council.

The problem of prehistoric man was how to get food. The problem of today is how to keep food, a problem that grows more acute each day.

If the electric light suggests the name of Edison, if the wireless suggests the name of Marconi, electric refrigeration suggests the name of Lord Kelvin, whose scientific discoveries of the laws of temperatures inaugurated a new industry and contributed to the comfort and peace of the world.

Scientists throughout the world this year commemorate the twentieth anniversary of the death of this great scientist of the Victorian period. To his genius is credited the modern reliable compass, the sounding-machine and the tides-predictor. He it was who first made the Atlantic cable transmit messages distinctly. But even greater was his solution of the problem of food preservation.

One Banker's Success

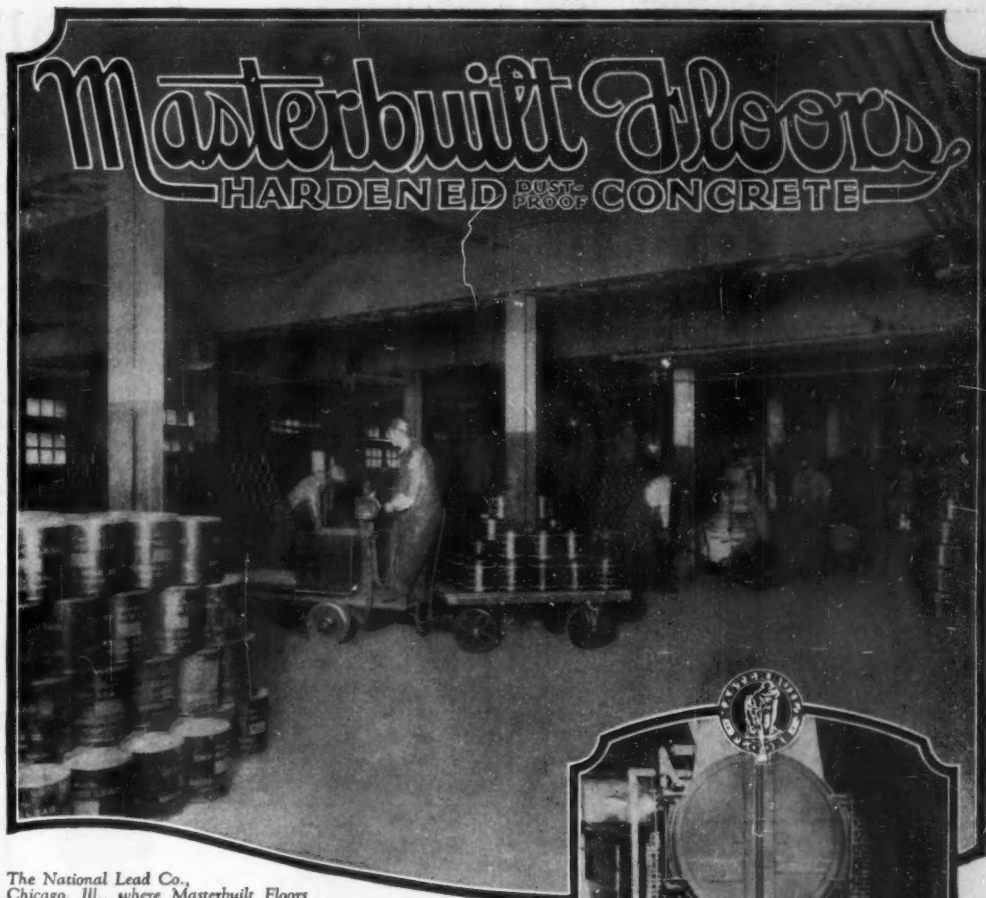
A MAN I know entered the banking business years ago and rose, step by step, until one of the big New York trust companies made him an offer of \$50,000 a year.

While occupying that job he made a trip back to his home town where he renewed acquaintance with an old schoolmate who was also in the banking business. But this man who stayed at home was drawing only \$1,500 a year.

Said the man from the New York bank: "It's ridiculous that you should work for only a wee fraction of what I make. Come to New York and I'll get you a job in our bank. We'll start you off at twice what you're now getting. Some day you'll be making as much as I am."

Well, the man moved to New York and he did have a phenomenal rise. After five or six years he was only one notch behind the man who had sponsored him. He had an agreeable personality and made friends of all the bank directors. A few months ago, a shocking thing happened. In connection with a merger with another bank and general shakeup, the comparative newcomer was offered the \$50,000 job held by the friend who had brought him there. The latter had his choice of resigning or of taking a lower salary. He promptly resigned, fully expecting to be snapped up by some rival bank. But he discovered that \$50,000 a year jobs are scarce. One may start in lower down and work up to them, but that requires time. He is now working for what must seem to him a modest salary, and it is a question if he can ever climb as high as he was before.

The only point to this true little tale seems to be that there is grave danger in being too good a picker of employees. The banker should, perhaps, have been a director of personnel instead.—F. C. K.



The National Lead Co., Chicago, Ill., where Masterbuilt Floors remain wear-impervious after 15 years of ceaseless trucking, abusive floor service

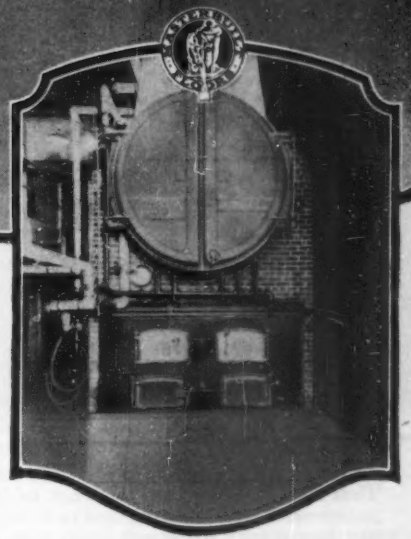
20th Century Floors for 20th Century Buildings

MODERN FLOOR USAGE demands modern concrete floors—floors that will withstand a continuous heavy duty pounding unknown thirty years ago. Floors equal to the traffic conditions of 1897 will not last long in 1927, as many builders learn—too late.

Masterbuilt floors of *hardened dust-proof concrete* is the modern answer to the demands of modern traffic. They are immune to heavy abuse because of their greater strength, and their tough, abrasion-resisting surfaces add years to their life of service.

These modern floors for modern traffic, produced by adapting the proper methods and materials to the specific conditions imposed, have conclusively demonstrated their outstanding wearability during fifteen years of every conceivable kind of floor service.

To insure your getting the proper floor for your specific requirements and to insure perfect results, specialists skilled in the installation of Masterbuilt Floors are available. Write for detailed information and "The Book of Masterbuilt Floors."



Masterbuilt Floors in front of Webster Power Boiler in Philadelphia plant of J. F. Ivin's Son, Inc.

Masterbuilt Floors are standard equipment in front of all Webster boiler installations, where concentrated heavy wear would quickly ruin an ordinary concrete floor.

Proof by Performance

Masterbuilt Floors in buildings of the following companies, in service from 8 to 15 years are picked at random from the thousands of Masterbuilt Floor installations which are giving conclusive proof of their serviceability under every conceivable traffic condition.

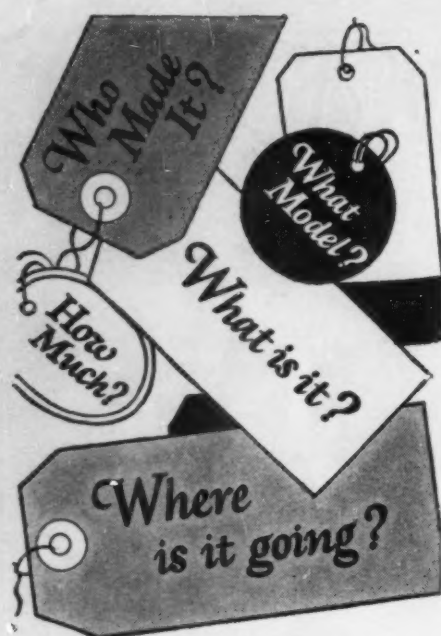
Ford Motor Co., Detroit
Auerbach Candy Co., New York
Elliott Street Garage, Boston
Kansas City Wholesale Grocery Co.
Sears-Roebuck & Co., Kansas City
Field Museum, Chicago
Colgate & Co., Jersey City
Prudden Wheel Co., Lansing
Cadillac Motor Car Co., New York
Victor Talking Machine Co., Camden

THE MASTER BUILDERS COMPANY

Sales Offices
In One Hundred Cities

CLEVELAND, OHIO

Factories at Cleveland
and Irvington, N. J.



The Quickest, Cheapest
Way to Answer These
Questions is with

TAGS

BETWEEN fabrication and final sale there are a hundred-and-one questions regarding your product that need definite, concise answers. Put that information on TAGS, and do away with "mistakes" all along the line.

Who's Your Tag-Maker?

That's important. For a piece of pasteboard with a string tied to it is not necessarily a tag—at least, not a Denney Tag or a Denney AD-VERTAG.

Here, in the world's largest tag factory, we design with an eye to appearance, and manufacture so as to insure legibility and long life at the lowest possible cost to the buyer.

If you do, or can, use tags of any description in your business, we believe a Denney quotation will prove of interest.

DENNEY TAGS
WEST CHESTER, PA.

Check and Mail this Coupon

The DENNEY TAG CO., 24-38 W. Bernard St.
West Chester, Pa.

Kindly send without obligation on my part the items checked below:

☐ Booklet "How to Buy Tags Right" ☐ Samples of Distinctive Tags ☐ Quotations on Enclosed Tags

Name _____
Street _____
City _____

A Chemist Talks of Business

By N. C. McLoud

A WHOLESALE grocer, a shoe manufacturer and a maker of men's clothing sat at luncheon in the dining car with a stranger who had introduced himself as a chemist. The talk was general until the stranger brought up the subject of potash and asked his fellow-travelers if they had heard of the discoveries which promised an abundant supply of this mineral on American soil. None of the three business men seemed interested.

"That's a thing for you chemists," said the man of shoes. "Our business wouldn't suffer if there was not a pound of potash in the world."

"That goes for my line, too," declared the representative of the grocery trade, while the clothier nodded assent.

The stranger smiled after the manner of one who can afford to be tolerant.

"Suppose you knew that the potash beds were more valuable than all the gold mines in the United States," he suggested. "Would you be interested then?"

"Not unless we owned some of the beds and could cash in on them," returned the clothier, with the support of his neighbors.

"You may think you're not interested," retorted the chemist, "but just the same you'd all be forced out of business if the world ran out of potash."

Importance of a Chemical

AT THIS declaration the three business men looked up skeptically.

"That statement is absolutely true," the speaker went on. "Without potash the grocer would have no flour, no sugar, and no canned vegetables; the shoe trade would face leather failure because of the disappearance of livestock; the clothing business would die for want of wool and cotton. There's not one of you that could get along without potash, and you should thank your lucky stars that the United States at last has a supply of its own. We've suffered foreign monopoly too long for comfort."

Within ten minutes the chemist had convinced a now interested audience that his statements were true. In making his case he had unfolded the romance of potash in a way that opened the eyes of his listeners and gave them insight to a state of dependence which none of them realized.

The chemist's story started with the world's need for potash as a basis of plant life. He showed his companions that this mineral is essential to the growth and development of vegetation. Taken from the soil through the roots, the potash salts play a vital part in the formation of all plant structures. The rôle is so fundamental that if the mineral were absent there would be no crops for food or forage, and no output of cotton and tobacco. Livestock would die off for want of sustenance, and there would be no meat, no hides and no wool. Without potash civilization would be wiped off the map.

Nature recognizes the basic need, and places potash in the soil. In new farming territory this meets the demand, but the

supply does not last. By steady process the successive crops rob the soil of its native potash, until the amount reaches a point at which profitable crop production is impossible. This condition forces man to replenish the natural supply by feeding the soil with potash in the form of fertilizers.

Convincing proof of the part played by potash in crop production is afforded by the yields achieved in wheat. The grain belt of the United States prides itself on its ability to feed the world, and yet there is an average production of less than 15 bushels to the acre in Minnesota, the Dakotas, Nebraska and Kansas. For the United States as a whole the average is less than 13 bushels. The wheat farmers of this country use little potash.

Farming Customs Compared

IN EUROPE the application of potash fertilizers is an established custom. With land no richer than our own, Germany raises an average of 30 bushels to the acre. Scotland 41 bushels, Holland 39½ and Denmark 45. The Danish yield is almost three and one-half times as great as that of the United States.

In the production of cotton, tobacco, potatoes and garden truck America has learned the lesson of potash and has applied the knowledge to good purpose. These branches of agriculture consume the greater part of the million tons or so imported every year from foreign sources. There is sound basis for the statement that stoppage of the supply would be disastrous. This was proved by experience at the time of the World War, when suspended importation left the United States floundering in helpless confusion.

The war-time shortage was a manifestation of the serious condition arising from the dependence of the American farmer on the potash mines of Europe. This dependent state has prevailed since potash fertilizers became a commercial commodity, coincident with the discovery of the vast potash deposits in Germany, a discovery which took place in 1861. Since that time the entire world has received its potash supply from the German mines and those more recently discovered in Alsace. European production is combined under monopolistic control, as the American consumer has learned through painful schooling.

Severity of Foreign Monopoly

THE HIGH spot in this phase of our economic education came in 1910, through the high-handed action of the European monopoly in treating its contracts as scraps of paper. American importers, in good faith, had contracted for the year's supply of potash on a basis of prices named by the sellers. When the time came for deliveries the monopoly showed its teeth, tore up the agreements, and declared that the purchasers must pay higher prices or go without potash.

Under the circumstances the importers could do nothing but swallow their anger

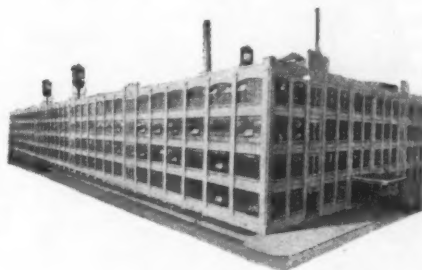
Your producing partner...machinery -is it accurate?



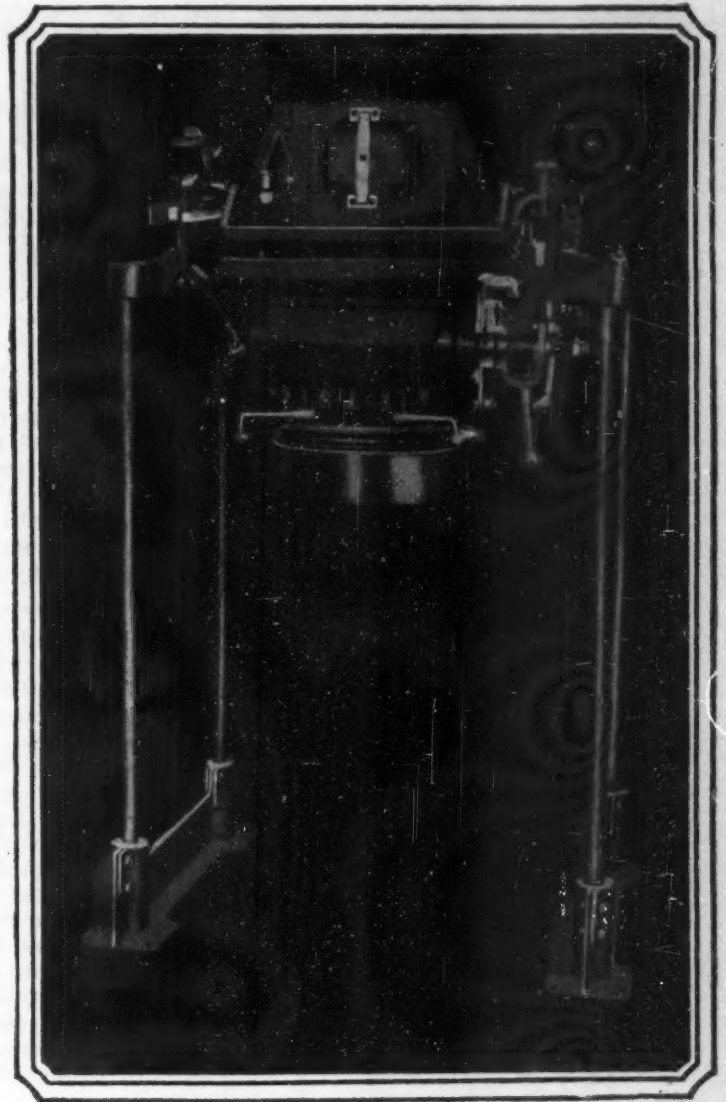
THE successful conduct of an enterprise depends largely on the accurate judgment of executives. High rates of employment turnover, errors in the appraisal of markets, and losses due to wasteful production policies are directly traceable to careless decisions.

In the purely mechanical phases of production accuracy is equally essential. To automatic machinery belongs much of the credit for the present day elimination of human error in manufacturing.

This is particularly true as applied to the automatic weighing and packaging of bulk materials. Vari-



Automatic Machinery for Feeding, Filling, Weighing, Packaging, Wrapping, Sealing, Pumping, Photo-Composing, and for all branches of Tobacco manufacture. Also India, the Perfected Casein Solid



No. 515A Automatic Sacking Scale

ous types of AMF automatic weighing machines are successfully cutting down waste in preparing for the market some seventy-six different products, ranging from acid phosphate to whole spice. They accomplish this feat by showing *balanced weights*—not merely approximations.

There is an AMF producing partner especially designed to meet the manufacturing problems of most important industries. Let us advise you as to the profitable application to your own production methods. Address The American Machine & Foundry Company, 5502-5524 Second Avenue, Brooklyn, N. Y.; London, England; Alexandria, Egypt; Shanghai, China.

AUTOMATIC MACHINERY

When writing to THE AMERICAN MACHINE & FOUNDRY COMPANY please mention Nation's Business



Heat-Tight Door Joints

This insulated square tongue on the door and the groove in the door frame prevent door bulging in fires. Even in fires where the safe falls in a highly heated condition, this joint baffles heat travel to the safe interior.

The higher the temperature the tighter the door fits. This Meilink feature adds strength to the safe and helps maintain a tight door closure in actual fires.

This is one of the many Meilink features that have helped establish Meilink's enviable record—50,000 Meilink-Built Steel Safes in use with only one known fire loss.

M. L. Link
SAFEOLOGIST

The Meilink Steel Safe Co.
Toledo, Ohio

Better Protection
MEILINK
BUILT SAFES

and accept the merchandise at advanced figures, but not without determination to undertake release from foreign control with reference to an essential commodity. Their resentment resulted in arousing the Federal Government to a situation in which American consumers were at the mercy of monopoly under alien dictation.

With the outbreak of the European war the situation was intensified. The complete stoppage of potash imports gave added emphasis to the urgent need for an American source of supply.

During the war there were various make-shifts in domestic potash production from salt brines in the southwestern desert and from industrial waste, but at no time did the supply exceed one-fifth of the country's normal requirements. With the close of hostilities and the resumption of imports, most of the native producers dropped out, and once more the United States found itself dominated by foreign interests.

Long Search for Potash

THESE circumstances stimulated government research, which had persisted since 1912. There was every reason to believe that a domestic supply of potash could be uncovered through patient exploration. As long ago as 1924 the statement was made by George Otis Smith, director of the United States Geological Survey, that American potash in large supply would have a value beyond that of all the gold mines in the United States. His sole premise was that the deposits must be comparable with those under German control. This condition now appears to have been met, through discoveries recently announced by the United States Geological Survey.

In its explorations the Survey has concentrated on the salt area of the southwest, where the geological formation is akin to that in the Stassfurt potash fields of Prussia and in the Alsatian area of production. Much of the exploration has been made by means of well-drilling operations conducted by oil interests. At almost every well that has been sunk there has been a government geologist, assigned to study the results of the drilling. Evidence that potash was present has been discovered frequent and cumulative.

At last the revelations have reached a climax through the medium of a drill-core which discloses the mineral in a deposit of startling magnitude. In this discovery Director Smith sees promised realization of the national hope for economic independence in connection with a vital chemical commodity.

Deposits Are Widespread

THE DISCOVERIES have centered in Texas and New Mexico, in the salt territory known to geologists as the Red Bed Saline Area, extending eastward to Oklahoma and Kansas. The geologic history of this region has much in common with that of Stassfurt, involving successive invasions and recessions by the sea through a period representing countless ages. Evaporation, oft repeated, has left great deposits of various salts in the strata of the earth's crust, and the explorations have confirmed the geologists' belief that the salts of potash form an important part of these extensive deposits. Individual significance has at-

tached to each discovery, and the cumulative emphasis has received powerful emphasis through the testimony afforded by the core taken from an oil well in Eddy County, New Mexico.

This core shows rich potash, in workable form, at a depth of less than 1,000 feet beneath the surface. The bed is one of many revealed by 1,900 feet of drilling, but the richness of this particular layer causes it to dwarf all the others from the viewpoint of practical mining. A cross-section shows that the bed is 5 feet 3 inches in thickness, offering 20,000 tons of mineral to the acre. The potash content is approximately 15 per cent, which is somewhat larger than the German average.

From the evidence accumulated, the geologists figure that the deposits exist over an area roughly estimated at 300 miles long and 150 miles in width, or a total of 45,000 square miles, which approximates the total area of the State of Pennsylvania. Chief Chemist George Steiger of the Geological Survey summarizes the discovery in this brief comment:

"It is not unreasonable to suppose that the deposits hold enough potash to supply the whole world for a thousand years. In less than 1,900 feet the drill shows thirty beds of salts carrying from 12 to 15 per cent of potassium oxide, the salt needed for fertilizers. The thirty beds represent thirty chances of supply. If we assume that one bed will grow thin as it recedes from the test hole, we must also assume that another bed will grow thicker."

George R. Mansfield is geologist in charge of potash investigations. His estimate of the discovery is thus expressed:

"It would be strange indeed if this well should happen to pass through the best bed in the area. In the light of all the evidence it looks as if the discovery marks the culmination of America's fifteen-year search for potash."

Advantage in Freight Costs

DIRECTOR George Otis Smith regards the find as having the utmost importance. Declaring that the grain-growing states sooner or later will be compelled to use potash fertilizers for increased crop yields, this authority voices a foregone conclusion that the wheat belt will become a heavy customer for American potash when the supply becomes available. He points out that against the European fields the Texas-New Mexico area will have a marked advantage in transportation costs, because of the short haul to the upper Mississippi and Red River Valleys.

Potash has many important uses in industry as well as in agriculture. The salts enter into the production of explosives, the finer grades of glass, chrome-tanned leather, matches and dyestuffs, and is essential to metallurgy, electro-plating and photography.

Faced with the facts, the three men in the dining car agreed with the chemist and declared that they would no longer feel indifferent to a national potash supply.

"It looks to me," observed the shoe manufacturer, "that the United States has had a fortunate escape."

The other listeners nodded full approval of the verdict.



What an opportunity Stainless Steel offers manufacturers! A chance to make better products than ever before—stronger products, because Stainless Steel has tensile strength far in excess of ordinary steel.

You can make from this wonderful material products that are a perfect protection against rust and almost every acid condition.

Products made from Stainless Steel are practically immune to deterioration, their life length-

ened to many times the life of products made from ordinary steel. And you can polish Stainless Steel to mirror brightness—a brightness which is permanent.

Let us tell you how Stainless Steel can improve your product—and how it can earn for you the goodwill of millions of American men and women who want better and more enduring merchandise and who are willing to pay a better price for all articles "Made of Genuine Stainless Steel."



STAINLESS STEEL

Genuine Stainless Steel is manufactured only under the patents of the
AMERICAN STAINLESS STEEL COMPANY, COMMONWEALTH BUILDING, PITTSBURGH

When writing to AMERICAN STAINLESS STEEL COMPANY please mention Nation's Business

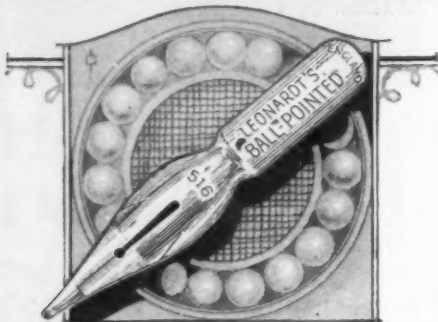


This little machine—with
AUTOMATIC ENVELOPE FEED
will address
125 ENVELOPES PER MINUTE!

The greatest little time and money saver in the world. Outspeeds all other small-size addressers more than **THREE TO ONE**, and yet sells for less than **ONE THIRD THE PRICE** of any addressing machine of equal speed.

For complete information and a **FREE BOOK** on Direct-Mail Advertising, pin this ad. to your business letterhead and mail to us.

ELLIOTT
ADDRESSING MACHINE CO.
151 Albany St., Cambridge, Mass.



Leonardt's BALL-POINTED

AS ball-bearing lessons friction in machinery, so do **BALL-POINTED PENS** ease the action in writing. Smoothly and easily the **BALL-POINTED PEN** travels over the paper, distributing a steady, even flow of ink. To the writer it ensures complete harmony between mind and matter.

The name Leonardt's **BALL-POINTED PENS** printed on every box. Accept no substitute. On sale at all leading stationers. Stocked by all large jobbers.

Pens

Made from the
finest Sheffield
Steel.

40 years'
untarnished
reputation.

OLD COINS

Rare Coin Book 50c. About 600 illustrations. Money refunded if not satisfactory. Send 10c. for Collecting Booklet.

GUTTAG BROS.
16 Exchange Place, New York

TIMELY

"**NATION'S BUSINESS** gives the business man what he badly needs, the best current thought, the best forward look on all business problems," says Ernest T. Trigg, President of John Lucas and Company, Philadelphia. "I read it more religiously than any other magazine."

When Business Goes to the Library

By Dorsey W. Hyde, Jr.

Secretary, Chamber of Commerce of Washington, D. C.

IN RESPONSE to a hurry call for certain important information, a high-salaried member of an eastern legal firm made a quick trip across the continent. After several days of intensive investigation in two or three western cities he returned to the home office with a substantial expense account and three documents. "After a lot of trouble," he reported, "I discovered that the information we need is in these three documents which I secured in Seattle."

The recently employed business librarian of the firm happened to be in the office when the firm member returned. "Why, I have those pamphlets," she said; "I got them for the library several weeks ago because I thought we might have need of them some day."

To avoid such situations as this, one large industrial corporation now has a standing rule that all specialists and experts must consult the library indexes and records before starting any new work. By this means, if the library facilities are adequate, the specialist is informed in advance of the activities of other departments, and of similar investigations or studies made in the past by other firms or by professional or educational institutions.

This incident illustrates one phase of a new movement rapidly gaining ground—the extension of modern library service to business. From 1890 to 1900 the number of business libraries in the United States increased something over 50 per cent; from 1900 to 1910 they increased more than 150 per cent, and from 1910 to 1920 the increase in the number of business libraries was almost 300 per cent.

Business Needs Accuracy

THE REASONS for this development are not hard to find. The days of action based upon hit or miss judgments are largely past in the world of business. We have left the day of round numbers for the day of decimal points. Production volume, cost figures, and sales totals must be accurately estimated, and the need for accuracy increases inversely with the size of the business. In times of tightening competition cost margins must be controlled unless profit margins are to disappear. Such control, if adequate, must be based upon an increasingly accurate knowledge of basic business facts.

To meet these new conditions business is taking on many of the characteristics of a new science. We have specialists in production in financing, in cost accounting and in distribution. Each special field is developing its own sources of information and its own standards of procedure.

These developments are reflected in a whole new body of business literature which has grown from a few volumes to a sizable library within the past two or three decades. But books represent mostly the academic

side—that part of the field of business knowledge which is known and available to all. The great attraction of business as a science is that it is constantly growing; new products and new methods appear each day and must be absorbed into the business fabric and made to play their predestined parts. And woe to him who overlooks these changes and is caught napping on the battle fronts of business!

The aim of the business library is to bring a principle of organization into the clash of factual and informational changes which are constantly recurring in the business field. The business librarian must know the sources from which business information may be obtained. He must possess a fine sense of discrimination and know how to choose and to find the kinds of information which will prove valuable. But mainly, he must apply the principles of modern library science in the organization of this factual and informational material so that it will be instantly available when it is needed.

Conservator of Facts

IT MAY be truly said of the business librarian that he must "be all things to all men." He must keep track of the doings of all departments, salvaging the informational by-products cast aside by the impatient executive who is trying to keep abreast of his job. He must be conservator *par excellence*, storing up the facts of current experience and arranging them in classified files and indexes from which they may be promptly and accurately produced long after the fact of their discovery or creation has been forgotten.

The business librarian cannot wait until he is called upon for service. He must visualize probable informational needs in advance. He can save the busy executive much valuable time if he does this properly.

In a typical day you will find the business librarian doing tasks such as these:

Supplying facts to the advertising department to be used as the basis for copy.

Calling to the attention of the engineering department an account of a new process for the heat-treating of steel.

Advising the accounting department of current texts and magazine articles dealing with new practices in cost accounting.

Furnishing suggestions to the foreign trade department as to possible markets in China and Japan.

Supplying a vice-president the raw materials for a public address.

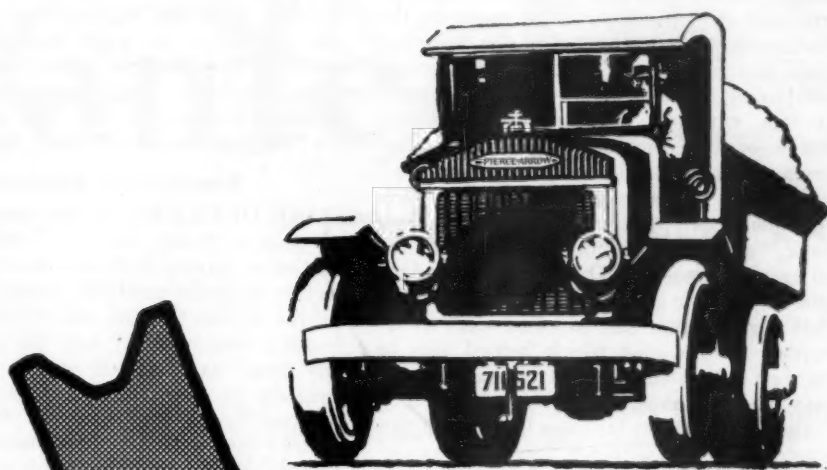
Making digests of state laws affecting the sale of a proposed new product, for the convenience of the legal department.

Explaining by letter to a field representative certain matters of detail regarding the effective use of the firm's products by prospective purchasers.

"I want to thank you for the list of mu-

PROFIT

Where Pierce-Arrow trucks and other trucks are in the same fleet, doing the same kind of work, the Pierce-Arrow trucks invariably **DELIVER MORE, in a SHORTER TIME, for LESS COST.** And, years after it has paid for itself, a Pierce-Arrow Truck **KEEPS ON MAKING MONEY FOR ITS OWNER.**




THE PIERCE-ARROW MOTOR CAR COMPANY
Buffalo, N. Y.

Pierce Arrow

*Dual-Valve • Dual-Ignition
Worm Gear Drive*
MOTOR TRUCKS

\$3500

*and up for chassis, f. o. b. Buffalo, N. Y.
Sizes: 2, 3, 4, 5, 7½ tons. Six-cylinder Motor Bus prices on application.
Terms if desired*



WHERE Capital can Develop Profitable Industries

The United States has become one of the great nations of the world because its people are progressive and because they create wealth by continuously increasing production. The South offers greater opportunities for creation of wealth out of easily available raw materials than any other section of the country. And the South's largest city is New Orleans. No other city in the United States offers to the manufacturer so many of the fundamental requisites for economical production and distribution as does this great metropolis and world port.

NEW ORLEANS *is a*

- 1 Primary market for raw materials
- 2 Transportation center
- 3 Market for good labor (lower wages because of low living cost)
- 4 Gateway to Mexico, Central and South America

In 8,000 years of the world's history, the great cities have always been in the milder climates of the North Temperate Zone. Exceptions to this rule have occurred only in the last two or three hundred years. The tide has turned Southward again. Great manufacturing centers are bound to develop in milder climates because of the lower cost of living. The climate does not necessitate the building of as expensive

houses; the amount of clothes required is less; and fuel requirements for heating are less. Wages can be less, and the worker may still live in accordance with usual standards of living elsewhere.

Lower wages mean lower production costs. New Orleans offers this fundamental economic fact combined with its being already a great city, having banking facilities, low freight rates established, and its being a primary market for many commodities. The far-seeing capitalist will put his money to work where economically it has the best chance to earn greater returns. Write to the New Orleans Association of Commerce, 315 Camp Street, New Orleans, U. S. A.

ASK FOR INFORMATION
Address Room 202

NEW ORLEANS

ASSOCIATION of COMMERCE



Where Production
Costs Are Lower

When writing to NEW ORLEANS ASSOCIATION OF COMMERCE please mention Nation's Business

nicipal swimming pools," wrote the sales representative of a concern manufacturing bathing suits. "This list will aid me materially in planning my summer itinerary."

An officer of an important Boston firm writes of their library: "Perhaps the most conspicuous case of advantage from furnishing information to our executives was in connection with the danger from borax in certain potash-salts to which the attention of our president and other executives was directed at the outbreak of the war—the time of the approaching potash shortage. As a result, our company and consumers of fertilizers escaped the difficulties experienced by those who used potash containing high percentages of borax. An official of the United States Department of Agriculture told the president of our company, in effect, that \$100,000 might be considered a small compensation for the value of this advice to our company in a single season."

Says another business man:

"I have found the library an indispensable aid in making reports on various subjects in connection with the activities of our corporation. These subjects are world-wide. The library was especially successful in gathering data regarding the current status of oil wells being drilled in certain fields; possible markets in the Far East for iron and steel products to be made on the Pacific coast of the United States, together with competition on the part of foreign companies, and coal deposits in Spitzbergen. It has supplied information for broad studies of such commodities as sugar, petroleum, rubber, artificial silk, flax and linen."

"We lost a valuable account a few years ago," said the president of a mid-western bank, "and then we got it back again for no apparent reason. The case interested me and so I made an investigation. I found that our librarian had supplied some information to this man which helped him to such an extent that he felt obligated to do business with us again."

One of the oldest business libraries in this country is the Insurance Library Association of Boston, organized by a group of insurance companies in 1887 to supply the "growing need for information concerning the fire insurance contract, the adjustment of losses, the increasingly intricate processes of manufacture involving fire hazards, and automatic sprinkler protection." Subsequently many other libraries were established by prominent business firms, until today it is estimated there are more than 1,000 business libraries in the United States.

Varied and Useful Libraries

"OUR LIBRARY is composed of probably the largest collection of trade and telephone directories in existence," writes one firm. Another firm says of its library: "Of special interest are the 10,000 cases of Fraudulent Advertising data." "We have one of the strongest industrial chemical collections in the state," writes a sugar refiner. "In our library," writes another company, "material on ornamental or textile designs is collected; of special interest are our books on Japanese prints and designs."

"Our indexes furnish a complete and comprehensive record of American and European motion pictures for a number

of years past," says another corporation. "The main feature of our library," writes a camera concern, "is the completeness of its collection of photographic literature, but it also contains works on physics and chemistry, and a wide range of special topics pertaining to photographic research and manufacturing problems." Another business library "is devoted exclusively to subjects connected with the theater and theatrical productions." Says another: "Our library aims to gather all available literature on the subject of combustion."

A bank library "has a department devoted exclusively to the collection and care of mortgages, indentures, circulars, and clippings on both foreign and domestic corporations, with about thirty vertical files containing financial material on cities and states of the United States and foreign countries, especially South America."

The business libraries discussed thus far are primary agencies for securing business information. At a convention of the national special libraries association, Mr. J. H. Puelicher, the president of the American Bankers Association, stated his opinion that the business library should not cleave to informational service at the expense of educational service. The educational type of business library is found somewhat less frequently than the informational type, but few will doubt the great opportunities for service which it offers. The president of a large southern retail concern advocates business libraries of this kind as a means for "digging executives out of the ranks."

Education of Employees

THE OFFICERS of this company comprise a library board. Under their direction a trained librarian maintains a collection of books carefully chosen to aid employees in the task of self-education. "All books in our library," says the president of the firm, "are selected with one of three primary purposes in mind: they must be business books applicable to our business policy; they must be educational or instructive in specific subjects; they must be inspirational and teach the reader how to live better and to obtain more wholesome enjoyment of life."

These books are sent out regularly to individual employees by the library, the effort being to supply books to meet specific individual needs. Employees read an average of twelve books a year. The plan is regarded as highly successful.

An insurance association librarian reports: "Our association has for sixteen years conducted evening classes. These now cover fire, casualty, and marine insurance. During the fall and winter months this year we will devote four evenings each week to these classes."

"Last year the enrollment was 250-odd. This year it will probably exceed this number. Many men who completed our course of study years ago are now occupying important positions."

A firm of consulting engineers states: "As a result of laboratory research and the use of our library, we have been able to make material reductions in a number of our clients' operating costs."

"In one instance we were advised that certain changes which we suggested re-

—busi-
They
are bei-
sion—s
of deta-

For g
There
puffing
umpher

They
bridged
telepho-

New
giants—
Years a

oil. Stu-
to lead

Who
Men

now. M
petition

of busi-
As th

ties cor-
man ge-

A MA



Wanted

— Giants for 1940

—business leaders for the next generation.

They're in the making. Here and there, they are being measured—jaw for force—eye for vision—shoulders for breadth to carry irritations of detail—giants of a new kind for a new era.

For giants change!

There was the type that came with the first puffing Iron Horse. Pioneers! Drivers who triumphed by sheer force.

They drove railroads across the continent, bridged rivers, built cities and linked them by telephone and telegraph.

New conditions have developed a new race of giants—less the pioneer and more the organizer. Years ago these men were burning the midnight oil. Studying, analyzing, equipping themselves to lead the successful businesses of today.

Who will be the industrial giants of 1940?

Men who are burning the midnight oil right now. Men who are studying organization, competition, labor, finance—the fascinating subject of business economics.

As the president of a nation-wide public utilities corporation said: "Somewhere there is a man getting ready for my job."

For every such man there is a magazine, Nation's Business. Its purpose is to keep him informed of the tremendous changes going on in the business world and thus help prepare him for future leadership.

250,000 business men are reading Nation's Business. Today's industrial giants speak of it as follows:

Charles M. Schwab, Chairman of the Board, Bethlehem Steel Corporation, says: "Nation's Business is furnishing business men with important facts regarding all industry, commerce and government."

Carl R. Gray, President of the Union Pacific System, declares: "Nation's Business helps me so ably in the study of business from a national viewpoint, I consider it indispensable."

Herbert Hoover, Secretary of Commerce, remarks: "Nation's Business is doing the business

man a service of inestimable value."

Lewis E. Pierson, Chairman of the Board, American Exchange Irving Trust Company, says: "That it is meeting the situation well is shown by its constantly increasing popularity with executives."

Homer L. Ferguson, President, Newport News Shipbuilding & Dry Dock Co., says: "Wherever I go I find Nation's Business on the desks of the big executives."

Windsor T. White, Chairman of the Board, White Motor Company, writes: "It has been my privilege to be a reader of Nation's Business from its inception. You have indeed caught the spirit of American Business."

Of 500 leading executives today it is found that the average age is 59. So, whether you are 20 or 40—office boy or vice-president—the opportunity is there and the measuring is going on.

Giants big and little, leaders present and future, in the city or the small town, are invited to join the quarter of a million who read Nation's Business regularly.

Send \$7.50 for a full three year term, to Nation's Business, Washington, D. C.

NATION'S BUSINESS

MERLE THORPE, Editor

A MAGAZINE PUBLISHED MONTHLY AT WASHINGTON BY THE CHAMBER OF COMMERCE OF THE UNITED STATES

One of a series of announcements appearing in the Saturday Evening Post



You can brighten up your office and factory walls, both inside and out, at a cost that is surprisingly low. Your handy man can get results that are almost unbelievable. Paint by machine, and you will refinish buildings for which you could never have authorized the cost of hand brush painting.

With the Binks Portable Spray Painting Outfit you secure all of the advantages of the famous Binks Spray Gun. This gun is used as standard equipment by leading manufacturers for finishing their finest products. The list of companies using the Binks Spray Gun for portable painting reads like the blue book of Industrial America.

The BINKS Spray Gun

enables you to spray any surface no matter how rough, dirty, or weather-worn; it enables you to spray successfully any paint, varnish, lacquer, enamels, graphite or aluminum paints. By the use of this gun, the operator can avoid any excessive spray mist. This enables spray-painting throughout your properties without interference of production. Our simple directions tell you how.

A One-time Investment Pays for Itself!

A Binks Portable Spray Painting Outfit is a one-time investment that quickly pays for itself—an investment that will save you maintenance costs for years to come. Further interesting details will be mailed upon request. Write today.

BINKS SPRAY EQUIPMENT COMPANY
Dept. D, 3128 Carroll Ave. Chicago, Ill.
Offices in Principal Cities
ESTABLISHED 1898

sulted in the saving of approximately \$40 per day for acids.

"In another instance certain changes advocated in a textile plant resulted in savings which were estimated by the company at \$16,000 per year."

Many well-known business men have expressed their belief in the business library. Mr. William C. Potter, president of the Guaranty Trust Company, says: "Our organization has found a special library . . . practically essential to our business." Mr. Roger W. Babson, of Babson's Statistical Organization, says: "Our special library is indispensable to our business." Mr. Louis K. Liggett, of the United Drug Company, says: "Our organization has found a special library very helpful." Mr. Lee E. Howell, vice-president, National City Bank, says: "The growing use to which our organization subjects its library (which has over 40,000 volumes) is sufficient evidence of its importance." Mr. MacMartin, president of the MacMartin Advertising Agency, writes: "Personally, I do not see how a man can consider himself a business man unless he deals with facts and I do not see how he can expect to have sufficient facts on which to make judgments unless he has established some form of library in relation to his particular industry."

The librarians of these business libraries organized a national association in 1909, and this body—the Special Libraries Association—publishes a monthly magazine, with the motto, "Putting Knowledge to Work." The Association also publishes, for the convenience of its members, a special libraries directory and a directory of commercial information services.

The librarians of business libraries are working in close cooperation with the Federal Department of Commerce in the collection and dissemination of business information. Speaking of the business library Secretary Hoover said:

"In the organization and management of every business, statistical and fact information plays a most important part. Business executives must know the character and the location of the demand for the products made by their concern; they must know the sources for labor and raw materials; they must know credit and financial conditions, and a host of detailed facts about all current operations of the business. Fact information of all kinds must be salvaged from a wide variety of sources both inside and outside the organization. In proportion as this information is promptly received and accurately compiled the business will tend to prosper and the organization to function smoothly.

"The function of the business library, as I understand it, is to collect and to preserve data of value to the business executive and to organize this information so that it will be available with a minimum of delay. There can be no question of the value of such service to the larger business firms when the work is properly organized and the librarian in charge has a clear conception of the possibilities of his position. The statement that 'knowledge is power' is as true for business as for the learned professions, and the business librarian who can make his service an integral part of his firm's organization may become a positive factor, both in the increase of profit and in the development of business standards."

Do Farmers Prefer Flivvers?

THE AMERICAN farmer prefers his automobile to all forms of modern-improvements within the farm home. A recently published survey of the farmer's standard of living, prepared by the Department of Agriculture as the result of a study of more than 2,800 farm families east of the Rocky Mountains, reveals that while nearly three-fourths of all these farm homes were destitute of running water, kitchen sink, electric light, nearly two-thirds of them possessed a car. Only one-fifth of the homes studied possessed any form of indoor modernization; only one in twenty was classed as "completely modern."

The picture of the American farmer sketched by this survey, however, is not that of a pleasure-loving loafer who would rather joy-ride than put in a running water plant. Far from it. It is rather that of a man working long hours and of a wife working longer to maintain a decent living standard and get at the same time some fun out of life comparable with that enjoyed by his highly paid brother or cousin who went to the city. The automobile has come to be a necessity to the American farmer to keep him closer to his markets and to relieve the monotony of his life.

One of the striking things shown in the report is that out of some 1,600 families reporting, in 1,200 cases neither the farmer nor his wife took so much as a day's vaca-

tion. Sixty-three families reported as much as 15 days vacation a year. Nor was the work easy. The average farmer reported a working day of 11.3 hours and the farm wife one of 11.4 hours net; excluding rest and meal periods.

This average farm household consists of 4.8 persons, members of the family and non-members. The average farm family, excluding boarders, hired help, visiting relatives, contains 4.4 persons. The household expenditure is \$1,597.50 of which goods or rent to the value of \$683.70 are furnished by the farm itself. Food, rent and fuel take the lion's share of this outlay.

This is not an extravagant scale of living and its inadequacy is seen in the shifts to which the family is put to maintain it. Long hours and lack of vacations have been mentioned. Further evidence is in the returns on the number of families receiving some form of income aside from the farm, such as taking boarders, renting rooms, selling prepared foods and the like.

Nearly one-third of all the families included in the study reported some such outside income and in more than 300 cases it amounted to more than \$300 a year. Sixty-seven families reported outside income of more than \$1,200 annually. These returns if deducted from the grand average farm expenditure would decrease it materially. Food, rent, clothing, fuel, and the auto-



Appearance is a factor in reducing sales cost

A PPEARANCE is not only a factor, but often it is the deciding factor, in a customer's decision as to which article he, or she, will buy. When the quality appearance of a product reflects its intrinsic merit, sales are more quickly and easily made—and selling costs are lower.

Manufacturers of all sorts of articles—from fountain pens to electric irons—from switch plates to radio receivers, have found that there is a sales lure in the beauty of

Bakelite that is a decided factor in increasing sales volume and lowering sales costs.

It may be that there is some article in your own line that could be improved in appearance and saleability through the use of Bakelite. Our sales engineers, and our research laboratories would gladly cooperate with you in determining how Bakelite can be used to advantage in your own product. Your request will bring a copy of Booklet 42, "Bakelite Molded" by return mail.

BAKELITE CORPORATION

247 Park Ave., New York, N. Y.

Chicago Office, 636 West 22nd St.

BAKELITE CORPORATION OF CANADA, LTD., 163 Dufferin St., Toronto, Ontario, Can.

BAKELITE

REGISTERED



U. S. PAT. OFF.

THE MATERIAL OF A THOUSAND USES

"The registered Trade Mark and Symbol shown above may be used only on products made from materials manufactured by Bakelite Corporation. Under the capital 'B' is the numerical sign for infinity, or unlimited quantity. It symbolizes the infinite number of present and future uses of Bakelite Corporation's products."

When writing to BAKELITE CORPORATION please mention Nation's Business

and now a
KALAMAZOO
VISIBLE
RECORD BINDER

to give you vital facts at a glance.
To control your business this device will be a definite aid. Write today for details of its application to YOUR particular business.

KALAMAZOO LOOSE LEAF BINDER CO.

Factories at Kalamazoo, Mich., and Los Angeles, Calif.
Sales Offices in Principal Cities



USE
Loose Leaf
Books
for
Records

KALAMAZOO
LOOSE-LEAF-DEVICES-AND
ACCOUNTING-SYSTEMS

mobile together account for more than 78 per cent of the family expenditure. The remainder, amounting on the average to about \$350, must supply the family's annual wants of such things as furniture, doctor's and hospital bills, education, books, newspapers and periodicals, church, fraternal and charity contributions, personal articles, gifts, insurance, hired help, household supplies, car fare and telephone.

The returns show a progressive increase in expenditures as the standard of living rises, the increase being generally greater in the items other than food and similar necessities. In other words, the vital expenses are generally close to a rock-bottom basis. The indigent farm family cannot well eat less, burn less, and wear less clothing and keep health and self-respect, so economies take other directions. This is shown in the fact that a mortgage on the farm made little difference in the family scale of living.

Yet when his bare subsistence expenses are met the American farmer shows in his spending certain marked characteristics which one would like to believe to be typically American. He believes in health for himself and his family and spends about 17 per cent of his total output above basic necessities for it.

His Culture and Flivver

FROM this same surplus he devotes 30 per cent for such cultural and social purposes as education, reading, church and social organizations, and recreation. He believes in personal freedom and uses about 5 per cent of his whole annual expenditure to keep and maintain a car. He is generous and devotes to gifts more than he spends for his tobacco and nearly as much besides as his women-folk spend for candy and the products of the soda-fountain. He spends about half as much for personal insurance as he does for his car. He is religious. Four families out of five give some support to the church.

These figures are all for the grand average of American white farmers in the distinctively "rainfall farming" area. When these are divided geographically some interesting local differences are shown.

Let us look first at the real Yankee, the New England farmer as seen through this study of 317 families. The Yankee farm household spends more than the Southern or Middle Western in spite of the fact that the farm itself furnishes less goods to the household. The New Englander farmer uses more money for food and fuel than the Southerner or Middle-Western, but he uses less for clothing. He spends the most for advancement and for purely personal goods, and the least for personal insurance. A little more than every other family owns a car on which it spends \$108 a year. He spends the most for recreation. He has the smallest family, 4.0 persons.

The Southern white farmer, on the contrary, has the biggest family and the smallest annual budget. Some 1,130 families were studied in Kentucky, South Carolina, and Alabama. They live mostly off the farm which furnishes the greatest total of goods consumed of those in any reported section. They buy the least outside of any group, spending the least for health and

Clean
with

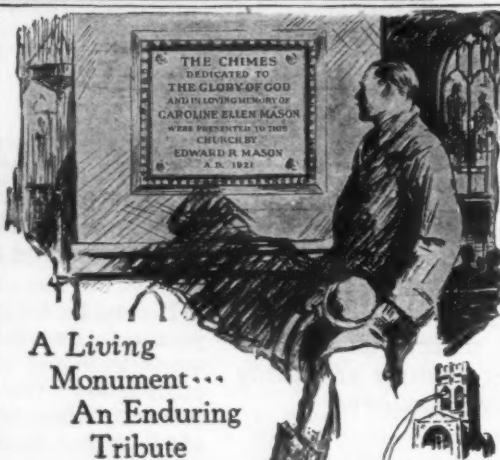
OAKITE cleaning materials are non-inflammable, non-combustible, non-explosive.

If you are now cleaning with gasoline, kerosene, naphtha, or other materials that involve a dangerous fire risk, consider changing over to **OAKITE** cleaning materials and methods. And clean **SAFELY**,—as well as more economically!

Put your cleaning problems up to us—we can help you; or write for booklets pertaining to your work.

Oakite is manufactured only by
OAKITE PRODUCTS, Inc.
24A Thames St., New York
(Formerly Oakley Chemical Co.)

OAKITE
Industrial Cleaning Materials and Methods



A Living Monument... An Enduring Tribute

Golden-Voiced Deagan Tower Chimes, sending forth each day, from the belfry of your Church, their sweetly musical message of good will and inspiration! In what way can you provide a greater beneficence to the community, a more stately tribute to a loved one, a sublimer expression of the true memorial spirit? ... That posterity may have ever before it an imperishable record of so worthy an endowment, there is provided with each set of Deagan Chimes a bronze tablet commemorating the gift and setting forth its hallowed purpose. Literature, including beautiful memorial booklet, on request. Standard Sets, \$6,000 and up.



J. C. Deagan, Inc.

272 Deagan Building
CHICAGO

Deagan Chimes played by organist from electric keyboard.

When You Want Figures

in a hurry—not hurried figures—send your inventory and other emergency computations to a skilled organization of public calculators. 48-hour accurate service.

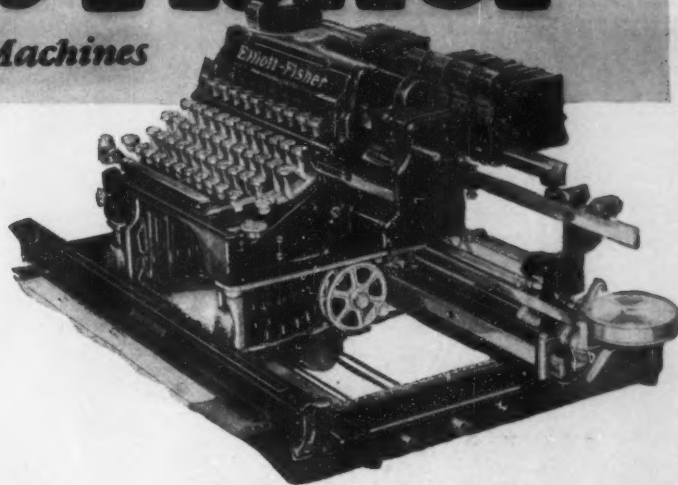
ATLAS CALCULATING SERVICE

19 W. Jackson Boul.

Chicago, Ill.

Elliott-Fisher

Accounting - Writing Machines



Sundstrand

Adding & Bookkeeping Machines & Cash Registers

All ELLIOTT-FISHER machines have the famous flat writing surface.

This exclusive feature gives Elliott-Fisher unusual manifolding powers and the ability to do several jobs in a single operation.

Elliott-Fisher is self-checking, electrically powered, and simple to operate.

In every line of business Elliott-Fisher has proved fast, accurate and economical on accounts payable and receivable, stock and cost records, payrolls, customers' orders—every accounting need.

Elliott-Fisher organizes your accounting department so that it can furnish information *daily* that you have been glad to get *monthly* or less often. We will send you full details upon request.

Every SUNDSTRAND machine has the famous ten-key keyboard.

Without shifting position, one hand controls all operations. There are no columns to locate. Utmost speed is the result.

Sundstrand performs not only addition but also direct subtraction and automatic shift multiplication. You need no longer use a machine that simply adds.

The ten-key feature makes Sundstrand easy to operate. Its complete visibility and portability make it convenient to use.

With all Sundstrand's features, the cost of the million-dollar-capacity machine is comparatively low. Write us for further details before you buy any adding or calculating machine.

General Office Equipment Corporation

Elliott-Fisher Division

The Elliott-Fisher Division markets Elliott-Fisher Accounting-Writing machines of every type. Every Elliott-Fisher is built with the famous flat writing surface.

Elliott-Fisher Company has acquired the business assets of the Sundstrand Corporation.

Productions of both companies will be marketed by the General Office Equipment Corporation through its Elliott-Fisher and Sund-

strand Divisions.

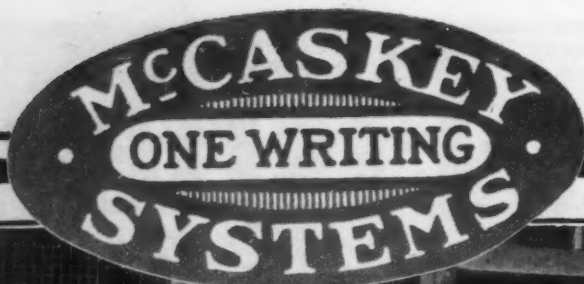
Sales and service offices are maintained by GOEC in the principal cities of the United States and foreign countries.

You are invited to consult GOEC when you have figuring or accounting problems to solve.

Sundstrand Division

The Sundstrand Division markets Sundstrand Adding, Subtracting, Calculating, and Bookkeeping Machines and Sundstrand Cash Registers. Every Sundstrand is built on the modern ten-key principle.

342 MADISON AVENUE, NEW YORK CITY



A McCaskey Register System accurately handles 7000 tool items and inventories materials for Hupp Motor Car Corporation

Release Your Frozen Capital In Needless Tools

McCaskey "ONE Writing" Systems Provide

Perpetual Inventory—Single and Dual Control—Production Control—Machine Control—Process Inventory—Cost and Payroll Records—Order Control—Planning, Routing and Dispatching—Tool Check and Tool Investment Control in practically almost every line of industry as for example the following:

Manufacturers of Steel, Metal, Wood and Automotive Products, Paper, Clothing, Shoes, etc. Also Boards of Education and other varied lines of activity.

A request on your letterhead will bring definite information as to what McCaskey Systems are doing in your industry.

NEEDESS—seldom used tools in your tool cribs may be tying up many dollars in frozen capital.

Suppose you had an accurate check on your tools—know where they are—know how often each tool is used—and know how many tools are in the hands of each worker.

This information is available for you with a McCaskey "ONE Writing" Tool Control System—and always ready for instant call.

Having this information on each tool crib in your plant may be the means of reducing your tool investment many thousands of dollars—far more than the cost of a McCaskey System.

Idle money in needless tools is worth finding. Let us help you analyze this problem in your plant. Your inquiry will receive prompt attention.

THE McCASKEY REGISTER CO.
INDUSTRIAL DIVISION 6047 ALLIANCE, OHIO.
Galt, Canada Watford, England

personal goods. Strangely enough they spend the most for clothes. Even a few more own their cars than in New England and they spend \$19 a year more on those they own. They are strong church members; leading the nation in the amount given to its support. The average family consists of 4.7 persons.

The Middle-Westerners, some 1,439 families, live in Missouri, Kansas, Iowa, and Ohio. In their expenditures they generally occupy a middle position between the Southerners and the Yankees but they lead the nation in their use of automobiles. Seventy-eight per cent of these farm households support a car and spend on it some \$119 a year, or more than the cost of fuel. They spend the least for food and advancement, and the most for health and personal insurance.

They spend the most for reading matter but in the matter of formal education they are outdone by the Southerners, who lead the nation in this respect.

A word in closing on the farm woman, the "home-maker," as she is called in this survey. It is she who sets the farm standards. The records show that even though the farmer has not completed the eighth grade of school, if his "home-maker," be she wife or daughter or niece or housekeeper, has had a high school or college education the standard of living goes up. It is higher then than it is when an educated farmer has an ignorant woman to make his home for him. The woman can lift the man up or she can help drag him down.

Such are some of the salient features of this cross-section of post-war American rural life. It is not a particularly encouraging picture. It shows the farm home making a brave stand but it throws a little light on why, during the year 1925, some 400,000 dwellers in these homes threw up the game, and giving perhaps a backward glance of regret at the old place turned their steps toward where under its pall of dust and smoke, the modern city offers its glittering hopes of gain.

Vocations for Blind

CONVERSING with a woman who has had much to do with the translating of books into Braille for blind readers, I was interested to learn of the new fields in which the blind were earning livelihoods.

"Piano-tuning and broom-making—those were the traditional jobs. Soon they may exist only in song and story. They don't satisfy the younger generation. Now it's books on massage they demand—chiropractic, law, gardening. The sensitiveness of his fingers makes the blind masseur especially competent.

"The fame of certain blind lawyers has aroused ambition and hope in those of more scholarly temperament. Books on gardening are greatly needed. You see, in the making and care of gardens, we are learning that much of the technic that supposedly required clear vision can be managed by specialized training of the sense of smell (strangely undeveloped in modern life) and by the cultivation of a fine distinction in subtle fragrances."

Loans a Menace to the Tariff

By W. L. Clause

Chairman of the Board, Pittsburgh Plate Glass Company

THIS COUNTRY is just beginning to wake up to the fact that the payments by foreign countries of the loans we have been making, as well as what is due us from our allies on account of the loans we made them during the war, are in the last analysis related to our own industrial problems and to the question of maintaining our protective tariff. Payments can only be made in goods and sales of goods in volume sufficient to discharge the interest and principal payments on such obligations cannot be made unless our tariff is removed or, at any rate, lowered to a sufficient extent to enable the foreigners to make such sales.

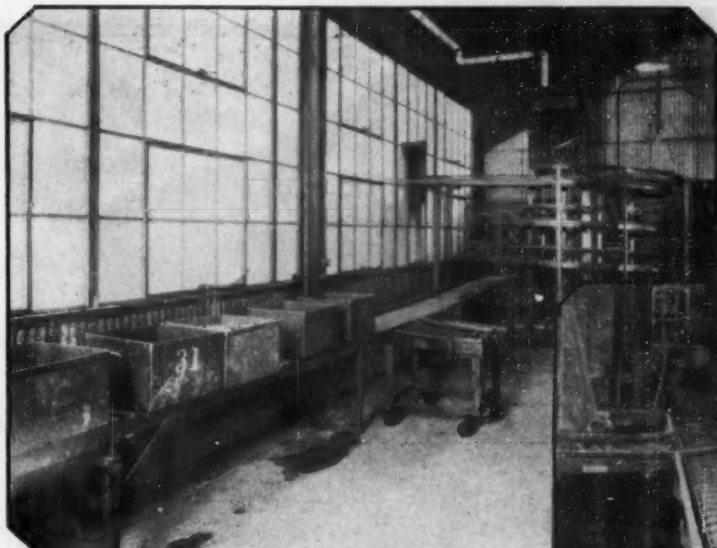
Delicate Trade Balance

SOME economists figure that an increase in imports just sufficient to meet these obligations might be accomplished in the course of time without seriously impairing our domestic situation, but they lose sight of the fact that, if our tariff were reduced to an extent necessary to permit payment in goods, the exports to this country would be determined not by the amount due us on these loans but by the capacity of the foreigner for production. Furthermore, this capacity could be indefinitely increased so long as its natural resources held out, especially if we are willing to continue to furnish the foreigner new capital with which to compete with us.

Some aspects of this problem are well exemplified by what has happened in Great Britain during the last thirty or forty years. Great Britain at one time occupied first place as an industrial country. She was first in the production of iron and steel and in nearly all manufactured products. She probably still leads in shipbuilding and perhaps in woolens, but is now a poor third in most lines, and in some lines lower than that.

Her large foreign loans made London the financial center of the world and England's position has been widely heralded as a shining example of the advantages of being a great creditor nation. For a time, no doubt, it did exercise a very favorable influence upon her industrial position, but one of the reasons why England has now lost her place in production is that she has loaned her money abroad instead of expending it on her industries at home in research and modern engineering, to keep them up to date. In other words, she has loaned money to her competitors which they have expended in keeping up to date, thus putting them in position to drive her out of her former leading position.

At present we may perhaps have more money than we need for the development of our own commercial necessities, but I am sure there are many fields at home in which we can wisely invest money. Our money is going abroad simply because it promises to bring in a larger interest return, which in itself is always an indication



Boxes of tools pass from hardening to cleaning to jaspering to inspection without trucking or lifting by hand. Note automatic hoist below (at rear) and spiral roller conveyor in view at left.

"Manufacturing time has been reduced by one full day at least, by Mathews Conveyers," says the Chief Engineer of this plant.

"Get the price down!" with Mathews Conveyers

THE fight for business this year, and in the years just ahead, demands the utmost in production savings.

"Get the price down, and we'll sell the goods," the sales department keeps saying, in plants all over the country.

That's where Mathews Conveyers come in, to help you cut the cost of producing, packing, and shipping, so the goods can be sold in competition at a profit.

Mathews Engineers, at the factory and in the District Offices throughout the country, have information on conveying methods that may prove of great value to you.

A Mathews System often earns its original cost inside the first year, but the conveyers are built unusually well, to give years of service without trouble. Phone our nearest office listed below, or mail the coupon.

MATHEWS CONVEYER COMPANY ELLWOOD CITY, PA.

New York, Boston, Philadelphia, Buffalo, Pittsburgh, Cleveland, Detroit, Chicago, Atlanta, Anderson, S. C., New Orleans, Milwaukee, Minneapolis, St. Louis, Omaha, Denver, Salt Lake City, Los Angeles, San Francisco, Seattle. Canadian Factory: Port Hope, Ont.

MATHEWS Conveyer Systems

Increase Plant Profits

MATHEWS CONVEYER COMPANY
Ellwood City, Pa.

We are interested in conveyers for _____

Your Name _____

Firm Name _____

Address _____

NE 4-27

When writing to MATHEWS CONVEYER COMPANY please mention Nation's Business

FOR SALE



This Fine San Francisco Warehouse With Exceptional Offices

LOCATION, construction and equipment of this building make it excellent for manufacturing or storage.

Large and suitable offices to house your district manager and force in same building. Imposing entrance and lobby add distinctiveness.

Property fronts on three streets, 185, 200 and 160 feet. Building 180 feet 6 inches by 100 feet 6 inches.

Built in 1924 as western headquarters and warehouse for large national concern, it has every advantage to be found in a high-class building.

Acquisition of manufacturing facilities on the Pacific Coast by building owners makes this warehouse available now.

Fire Proof

**Daylighted
on 4 sides**

3 Elevators

**Spiral
Conveyor
Spur Track**

*For complete information address
Nation's Business, Box 79*

INFORMATION WANTED

concerning any phase of commerce, trade or industry in which you are interested must be obtained from a dependable source, and quickly, if it is to be of value to you.

My long association with Federal and State Departments, commercial and professional organizations, etc., enables me to furnish authoritative data, accurate statistics, comprehensive briefs, and exhaustive trade analyses, with no delay and for a nominal fee.

Write or telegraph for details

H. S. MIDDLEMISS

Columbian Building Washington, D. C.

15th Annual Meeting

of the

**Chamber of Commerce
of the United States**

WASHINGTON, D. C.

MAY 2-3-4-5

The National Council Meeting will be held
Monday, May 2.

D. A. SKINNER, Secretary.

that the security and guarantee of payment is of a less certain character.

Our facilities for transportation call for money so they may always be at least a step or two in advance of our necessities. Our great superpower schemes, which promise completely to revolutionize the power problems for all of our industrial operations, need development. This field has only been scratched. Until it is more fully developed we are losing time and money. Great sums can be profitably invested at home in this direction.

Reverting to the conditions surrounding these foreign loans—since bankers recognize that these loans can be paid only in goods and since they recognize that goods cannot be shipped unless we reduce our tariff, it seems strange that they are ready to make loans involving these uncertainties.

The Prospect of Low Tariff

I HAVE no doubt the bankers who are floating these foreign loans believe they will bring about a change in tariff sentiment upon the theory that when the loans have been absorbed and widely scattered over the country, the holders of the bonds will ultimately learn that the only hope of getting their money back lies in a reduction of our tariffs. Even though this should be true and should lead to a change in administration, I believe that such an administration would not last longer than one term in control of our government. I believe the flood of foreign goods would so demoralize our business and the pay of our workmen that there would be a great revival of tariff sentiment.

Our workers will not submit to industrial wage conditions comparable to, or competitive with, those of Europe.

Before the war, our rates of pay were about three times as high as in Europe. With the depreciated currencies that still exist in much of Europe, the difference is much greater now, and is more nearly five or six times as high.

Our industrial leaders would have no fear of European competition if we could have European rates of wages, but even if American labor were ready to submit to it, which, of course, it is not, the buying power of the American public at the reduced rates of wages would be so much decreased that it would create a serious depression in general business.

No country has ever faced the problem which we now face as a creditor nation. Heretofore, creditor nations, of which Great Britain has been the chief example, have been free trade countries and have had large unfavorable balances of trade. In other words, they have permitted their creditors to pay them in goods. As the present great creditor nation we have not only a tariff but also a large favorable balance of trade. Must we abandon one or the other of these policies?

Certain banking groups urge that we abandon or at least greatly reduce our tariff, but I do not believe the country is ready to adopt such a policy. I think a trial of it would bring about a reaction against such a policy and would reestablish the protective tariff, which we have had for fifty or sixty years, more firmly than ever.

If not made by Felt & Tarrant it's not a Comptometer

Only the Comptometer has the Controlled-key safeguard

*If you
are not getting
an average of—*

1950 additions an hour
like \$48.65—
435 multiplications an hour
like 657×573 —
188 divisions an hour
(no constants) like $\$5,427.00 \div \324.00 —
327 subtractions an hour
of Ledger Balances like
 $\$4,287.35 - \$2,425.23$ —

**—then you are paying more for
your figure work than you should**

*That is true whether you use
a Comptometer or not*

LAST YEAR, from the 100 Comptometer Schools run in connection with our sales offices in the United States and Canada, we furnished without charge to Comptometer users, 21,702 operators.

To qualify as operators, each of these students had to pass tests equivalent to the work above indicated. Naturally, with practical experience on regular office work, most of them would soon do much better than that. To this may be added approximately 20,000 clerks trained by us last year in employers' offices, without charge.

An untrained clerk will add and calculate as rapidly with the Comptometer as with any other machine. But because the Comptometer has unlimited speed capacity, the purpose of this service is to enable the user to utilize its high

speed for greater production of figure work at less cost.

What employers think of it is emphatically expressed by their employment last year of more than 41,000 clerks and operators trained by our organization.

The sum of it all is that the Comptometer, backed by our nation-wide training service, will turn out more work accurately in less time and at less cost, than any other combination.

So if you are not getting adequate production, no matter what equipment you have, it is time to call in the Comptometer man.

He is at your command, without cost or obligation, for consultation as to ways and means of handling figure work at less cost. Look in your phone book or write us direct.

FELT & TARRANT MFG. CO., 1712 N. Paulina St., CHICAGO, ILLINOIS

CONTROLLED-KEY
Comptometer
REG. TRADE MARK
ADDING AND CALCULATING MACHINE

Monuments of the Ages

JUST as, some day, a finer Cloth Hall will rise from the shell-torn ruins of the old, so, today, is the way being cleared for an impressive structure on the site of that famous hostelry, the Netherlands Hotel.

At Fifth Avenue and 59th Street, overlooking Central Park, the graceful tower of the new Netherlands Hotel will add yet another note of distinction to America's greatest metropolis.

In this beautiful hotel will be found a complete equipment of Dahlstrom Elevator Inclosures . . . another addition to the reputation Dahlstrom equipment has won for richness, durability and service in some of the finest buildings of America.

DAHLSTROM METALLIC DOOR CO.

INCORPORATED 1904

JAMESTOWN, NEW YORK

NEW YORK, 475 FIFTH AVE. CHICAGO, 19 SO. LA SALLE ST.
DETROIT, 1331 DIME BANK BUILDING

Representatives in principal cities

The Cloth Hall
at Ypres and The
New Netherlands Hotel

Cities Enter the New Competition

(Continued from page 17)

mistakes and pitfalls of those communities which have failed.

The strife between our cities that leads to the demand for more and more factories is a fact of which we must take account. If wisely directed, if guided into safe channels, it should make of us a stronger nation. If permitted to run wild it may lead us into serious difficulties.

A Ferment That Went Wrong

THE CAREER of the South Sea Bubble is the story of a ferment that went wrong. The story of American land speculation is the story of a ferment that produced great results, but with tremendous waste. Have we advanced enough in our group intelligence to reduce such waste in the future?

Is the present stir of our cities to lead only to an indiscriminating quest for pay-rolls because they promise more population, more patrons for retailers, more occupants for buildings, or is it to be guided by an informed opinion as to the future of the city? If it is the latter, the quest for factories will not be undertaken until the city has learned some essential facts both about the industries it has in mind—is their market already over-supplied, are the goods they manufacture becoming obsolescent because of new inventions—and also about the community itself.

It will not only know that new factories are desirable but it will know, too, that the community can afford them. Factories mean street extensions, transit facilities, schools, parks and playgrounds, water supply, sewers, police and fire protection—all of these must be paid for by tax levies or by issues of bonds.

Examining the Opportunities

IF THE factories are successful, if there is a continuing market for their products, if their pay-rolls bring to the city good citizens at good wages, it may be assumed that they will justify incurring these large obligations.

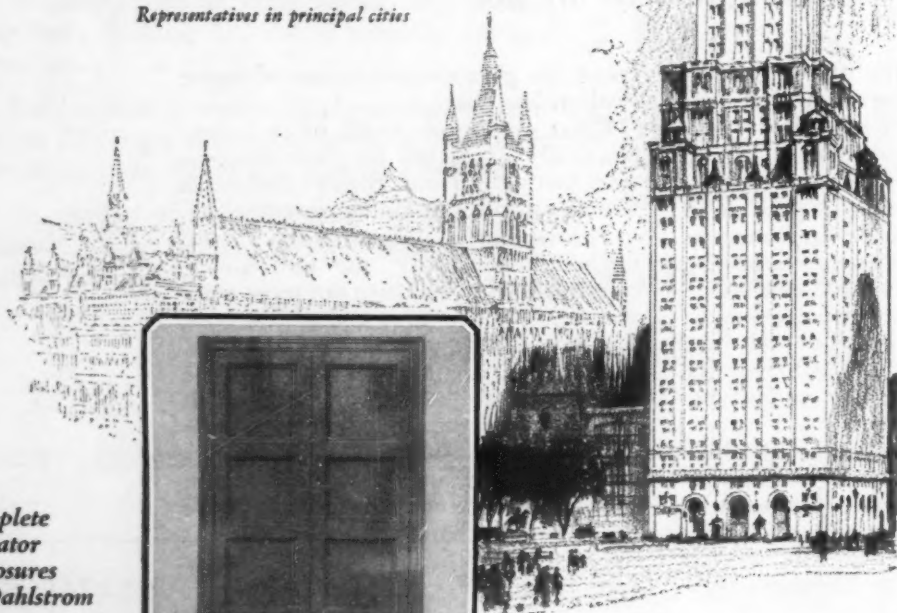
But if a considerable proportion of them fail, if others barely keep going, they may prove civic liabilities. The man who builds a stable fortune examines the opportunities for investment.

The city that builds for an enduring future does the same.

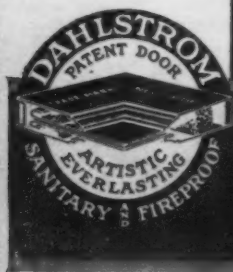
Group action is the order of the day. The collective intelligence of an industry, properly directed, is proving itself tremendous force.

The collective intelligence of a community, properly directed, is likewise proving a tremendous force. But the two words, "properly directed," are the beginning and the end of the whole matter.

EDITOR'S NOTE: As an aid to proper direction in community activity for industrial development the Civic Development Department of the Chamber of Commerce of the U. S. has prepared a master survey outline. NATION'S BUSINESS will be pleased to arrange to have a copy sent to any reader.



Complete
Elevator
Inclosures
by Dahlstrom



ARCHITECTS:
SCHULTZE & WEAVER
New York City

CONTRACTORS:
SHRODER & KOPPEL,
INC.
New York City

DAHLSTROM

Lower Manufacturing costs with

PANELIZED TIMBER



THE Cornell Wood Products Company—a pioneer in the wood board industry—has developed, and now announces to American manufacturers, a new and superior product. It is Cornell Industrial Panelized Timber.

Panelized Timber is hardy northern timber converted into big, clean, rigid panels up to 4 feet wide and up to 16 feet long—without the disadvantages of joints as in solid or veneered lumber or without knots, rot, checks, shakes, stains, pitch pockets or other defects so common to industrial lumbers.

Every inch of Cornell's Panelized Timber may be used. It is uniform in all its physical properties. It saws and works easier. It will not split in nailing, sawing, cutting or handling. It is easily cut into irregular shapes and easily fitted around mouldings, bolts, etc.

We are prepared to furnish Panelized Timber in a range of sizes, thicknesses, weights, strengths, densities, hardness, toughness,

finishes and colors—or combinations of these properties—to meet practically any industrial requirement. And the cost is only a fraction of the cost of industrial lumbers.

Samples and Experimental Work Free

The remarkable adaptability of Cornell's Panelized Timber makes it impossible to list the many uses to which this remarkable product may be put—or to suggest the scope of the savings it is capable of effecting. It may be exactly suited to your manufacturing or shipping requirements. You can easily find out. Write for samples and details on how our experimental and research departments are prepared to co-operate with large users of panel lumber, insulating, sound deadening or vibration absorbing materials. Your inquiry is invited and will, of course, incur no obligation whatsoever.

A Few of the Many Uses for PANELIZED TIMBER

Furniture Panels and Drawers
Screen Panels
Cloth or Leather Covered Panels
Sheet Metal Bound Panels
Containers
Deadening and Insulating Panels
Vibration Absorber (as under Fans or Motors)
Protection in Shipping
Toy Manufacturing • Bicking Panels
Bolt Cores • Table Tops
Posters • Displays • Backgrounds
Theatrical Settings • Photo Mounts
Under Floors or Floor Coverings
Etc.—Etc.—Etc.



CORNELL WOOD PRODUCTS CO.

190 North State Street

Chicago Illinois

Cornell

INDUSTRIAL
Panelized Timber

When writing to CORNELL WOOD PRODUCTS Co. please mention Nation's Business



16,500,000 tons of Consolidation Clean Coal

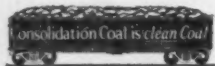
THE Consolidation Coal Company is the largest coal company in the world. It operates 98 mines located in the six great bituminous districts of the country, with an annual production capacity of 16,500,000 tons.

Over 65 years' coal mining experience is reflected in the product of this great organization—Consolidation Clean Coal.

The mines producing Consolidation Clean Coal are located in the richest coal mining districts of the country. The most modern methods are employed in the mining of Consolidation Clean Coal.

The vital reason for the superiority of Consolidation Clean Coal, however, is the careful preparation and cleaning which take place at the mine. Every possible precaution is taken that all rock, clay, slate and other free non-combustible impurities are eliminated—that only Consolidation Clean Coal is shipped.

We will be glad to tell you more about Consolidation Clean Coal. Write us for "Booklet K".



THE CONSOLIDATION COAL COMPANY

INCORPORATED

Munson Building—New York City

BALTIMORE, MD.
BOSTON, MASS.
CHICAGO, ILL.
CINCINNATI, O.
CLEVELAND, OHIO
DETROIT, MICH.
FAIRMONT, W. VA.
MILWAUKEE, WIS.
NORFOLK, VA.
PHILADELPHIA, PA.
PORTSMOUTH, N. H.
WASHINGTON, D. C.

Continental Bldg.
State Mutual Bldg.
Ill. Mer. Bank Bldg.
Union Central Bldg.
Union Trust Bldg.
First Nat'l Bank Bldg.
Watson Bldg.
330 South Canal St.
Nat'l Bank of Com. Bldg.
1233 Land Title Bldg.
277 Market Street
Union Trust Bldg.

LONDON, ENGLAND
GENOA, ITALY

Foreign Offices

Billiter Sq. Bldg.
10-Via Roma

Sales Agents

ST. PAUL, MINN. North Western Fuel Co., Mer. Nat'l Bank Bldg.
TORONTO, CANADA Empire Coal Co., Ltd., Royal Bank Bldg.
GREEN BAY, WIS. F. Harbut Company
Operating Department: FAIRMONT, W. VA.

Business Views in Review

By ROBERT L. BARNES

THIS ISSUE goes to press too soon to include a very general consensus of editorial opinion on the President's veto of the McNary-Haugen bill except from the daily papers or some of the weeklies. The New York World characterizes the veto as "courageous and creditable" and attacks the bill in these words: "It is not a 'farm-relief' bill; it is a bill in the interest of some farmers at the expense of other farmers along with the whole community. And on its administrative side it is so clumsy as to be almost unworkable."

Ultimate Victory Forecast

THE PASSAGE of the bill by Congress was a signal for exultation on the part of some of the farm press, of which this excerpt from the *Prairie Farmer* is an example: "Passage of the McNary-Haugen bill by Congress is a great farm victory. No one knows whether the President will sign the bill, or whether he will commit political suicide by vetoing it. It cannot be repassed at this session over his veto. The passage of the bill by Congress, however, means that it will become a law sooner or later, after the next presidential election if not before."

That this attitude is not characteristic of all the farm press and therefore, probably, the attitude of all the farmers may be judged from the fact there were some farm papers that did not support the bill. The *Pennsylvania Stockman and Farmer* expressed this view before the veto:

"For the sake of agriculture, which will suffer most by the readjustments, uncertainties and inequalities resulting from this economic and legislative monstrosity, we hope that the President will veto this measure."

Under the title of "What Next for the Farmer," the *New Republic* attacks the bill on several scores. The article points out that even under the perfect functioning of the law it would still be but an incomplete agricultural policy. Writing of the increase in acreage problem, the author asks: "If farmers cannot efficiently cooperate to limit output when each suffers a prompt and automatic penalty for not doing so, how far can they be expected to limit output when the penalty is far off and indirect?"

Commenting on some of the other phases of the problem, the article says in regard to rising land values that "many a farmer in the past has come to regard himself as a land speculator. Following the example of the business man, he would look for the reward of his toil chiefly in the increasing value of his property, and in years when he made a profit he would enlarge his acreage. When prices were high enough, he would sell; or if he came to a time when he could not cultivate all his holdings, he would rent. Such capitalistic enterprise is out of place on the land."

"Subsidies Are Not New"

REVERSING its attitude on the bill, *Commerce and Finance* says: "... it is with a feeling of sincere regret that we yield to the logic of events in advocating a subsidy for the farmer." Amplifying its statement that the bill is nothing but a sugar-coated subsidy, the magazine says:

"... Subsidies are not new in this country. The transcontinental railways were subsidized by land grants; our coastwise shipping is subsidized by navigation laws which exclude foreign competition, and the tariff subsidizes a very substantial portion of

our population at the expense of the whole nation and farmers in particular.

"Having thus admitted the economic expediency of the subsidy in some cases, how can we with justice deny it in others? To this question the only possible answer is that the right to a subsidy must be determined by the condition and needs of those who apply for it."

That this change of face should come within a week of an article in the same magazine that, in a discussion of the bill and cotton, quoted these statements is surprising.

"Government valorization of cotton must fail in the end, and the experiment is almost certain to be a very costly one for the moment." And later on in the same article: "Over 60 per cent of the cotton crop is exported, so that a tremendous sum will be required to hold domestic prices above world prices. This enormous sum will constitute a bounty to foreign cotton manufacturers, contributed by the cotton farmer, the domestic cotton manufacturer, and the taxpayers of this country. The foreign manufacturer with this bonus in hand can produce cotton goods so cheaply that he can leap the tariff wall and flood this country with foreign made cotton goods."

Reasons for Rejection

BARRON'S writing of the veto said: "Therefore his comprehensive and incisive analysis of the bill and his illuminating exposition of the many reasons for rejection. He did not dodge the task of dissection. He found the bill a danger to the public welfare, harmful to its supposed beneficiaries, unwise, unfair, impracticable. One by one he marshalled the tests and arguments which condemned it."

"Thus riddled, there is pitifully little salvage left for the zealots who now vociferate about once again trying to jam through such monstrosity,—perhaps dangling a few more vote-catching staples of the soil. The net result is the presentation of an economic thesis—for here was conspicuously a case where politics sought to bedevil economics—which is the first adequate and lucid setting forth of the case in sweeping detail."

Though attacking the McNary-Haugen bill, the *Journal of Commerce* made this statement:

"The farm problem in this country will continue to plague us until we bestir ourselves to find and execute real relief programs. So far we have shown no disposition to do anything of the kind. On the contrary, the policy has been to leave the whole subject, as important as it is, in the hands of incompetent and often designing politicians, and to accept what of their proposals we felt we had to accept, leaving the rest to fate... nothing of constructive value is likely to be accomplished in this way."

Now that "the tumult and the shouting die," it is interesting to find that not every farmer has picked up and come to Washington to ballyhoo for the McNary-Haugen bill. In fact, some have stayed on their farms, improving their methods and being successful farmers. *The Farmer*, a northwestern weekly farm paper, has been conducting during the last year a Master Farmer Contest. The idea was to "point out and honor the men of this section (the northwest) who came nearest to meeting the ideal type of farming and rural citizenship." The score card, besides covering all points in good farming, paid attention to the farmer's relation to his

The One Machine That Does it ALL—

At every revolution of
the drum it
Prints the body of the
letter
Fills in the name and
address
Prints the signature—
and also ADDRESSES
the ENVELOPE



the addressing **MULTIGRAPH**

No More Matching Problems

No matching of ribbons is necessary because the body of the letter and the filled-in name and address are printed *through the same ribbon at the same revolution of the machine.*

The type is *identical*, because the address plates, as well as the body of the letter, are composed on the Multigraph Keyboard Compotype.

Both original cost and operating cost are far lower than any other equipment which will do all that this one machine does—and the result is uniform quality.

Moreover—with the addition of the regular Printing Ink Attachment, this equipment will do all that any Multigraph will do in straight printing and imprinting from type or electros. *What more can be said?*

THE AMERICAN MULTIGRAPH SALES COMPANY, 1806 East 40th Street, Cleveland, Ohio
(Also listed in telephone books of fifty principal cities)

DOES BANKING SERVICE MEAN BUSINESS SERVICE TO YOU?

A Distinct Advantage to Exporters



MAIN OFFICE
140 Broadway
New York City

EFFICIENT handling of out-of-the-ordinary matters which arise in foreign trading from time to time may mean a great deal to the exporter.

A prominent merchant had shipped a large order to a concern in South America. Payment was refused because of alleged damage to the merchandise. Our correspondent bank there diplomatically intervened, and arranged to have the shipment carefully inspected. Through cable negotiations we were able to effect a settlement most satisfactory to the exporter.

The Guaranty's foreign correspondents are among the leading banks throughout the world. It is a distinct advantage to exporters to have at their command the services of these banks and of our completely equipped European branches.

Guaranty Trust Company of New York

140 Broadway

NEW YORK	LONDON	PARIS	BRUSSELS
LIVERPOOL	HAVRE	ANTWERP	

family, community, school, church, etc. In summing up what the contest proves the Farmer states:

"In these days of agitation for a long-time relief program for agriculture, it is well to remember that the Master Farmer is not offered as a complete solution for the problems of the western farmer. Rather we have tried merely to prove that some farmers have shown extraordinary ability in making progress in times that have brought disaster to the rank and file. Such men are the wisest sort of advisers in shaping the future program for agriculture, because they think in terms of their own experience. The Master Farmer Contest simply shows what some farmers have been able to do for themselves on their own farms and in their own communities."

Do Farmers Need a Ripley, Too?

CORPORATE and cooperative balance sheet makers seem to have many things in common. No one has yet solved the problem of how much a stockholder (or cooperative member) is entitled to know about the conduct of his business. *Wallace's Farmer* has some interesting things to say on the cooperative organization balance sheet:

"We sometimes wonder what the purpose of the annual statement of a business organization is. We remember one manager of a cooperative company who insisted that the best annual statement was one that lumped most of the items together and didn't give the members much of a chance to see what was going on.

"He figured that some items would be a little hard to explain, and that it would save trouble in the long run if the membership were kept completely in the dark. The same idea seems to be behind some of the bank statements that are put out, presumably to show depositors what the condition of the bank is. They mean very little as they stand, and the items are so grouped that very few who notice them are able to get any notion of the bank's financial standing.

"It is possible, of course, to sympathize with the manager who didn't want to get into an extensive argument with his membership over different minor expenditures. Quite often things are done in business which are justified by ordinary business practice and yet are foreign to the habits of the farmer stockholders.

Training the Members

IT SEEMS to us, however, that the only safe thing to do is to explain why these things are necessary and take the risk that there will be some stockholders who will persist in misunderstanding. In the long run, the only way a cooperative can amount to anything is by having a membership sufficiently familiar with the business so that it can elect the right kind of directors and adopt the right kind of policies. To keep the members ignorant in order to prevent argument at the annual meetings is no help toward this end."

"It seems to us that a reform in the preparation of the annual statements wouldn't be a bad thing. Secrecy, in the long run, is poor business. An organization which has the habit of covering up certain facts too often finds more things every year which have to be added to the lot about which it seems injudicious to speak.

"A good many of the cooperatives that have gone bankrupt in the last few years could have been saved, if outside auditing and an explicit annual statement had made the situation clear to the stockholders early in the game. The practices that wrecked them would not have been pursued if it had been known that they were to become public. Secret diplomacy is not a device of the state

department alone. We have it in the corn belt, too, and could profitably use a good deal less of it."

Boy! Page Professor Ripley!

Sales Quotas, the Public Must Buy! But Must They?

PROSPERITY through Salesmanship is a theory that has gained wide acceptance in this country according to Jesse Bainsford Sprague, writing in *Harpers* an article entitled "The Go-Getter Abroad." He goes on to explain:

"This theory comprises, briefly, the following features: massed factory production, high wages to workers, salesmanship of such intensity that the workers are incited promptly to spend their money, which at once finds its way back to the factories and is used to produce more goods and thus provide more wages.

"One need only quote from the published statements of eminent business men and economists to show how widespread is the belief in the theory of Prosperity through Salesmanship. In a recent interview Henry Ford is made to say:

"A man should like his work and not work long hours. He should work as few hours as possible. That gives him a chance to go out and spend the money he earns and contribute to prosperity."

This school of thought, according to Mr. Sprague, has brought into being the high-pressure selling methods now in vogue. The "sales quota" is one device to attain this rapid turnover.

It requires little business acumen to realize how revolutionary is this practice. For the first time in any country it has come about that the producer of goods decides on the quantity of his goods that the public must buy. In every country save the United States the public decides what it wishes to buy, and the producer gauges his output accordingly.

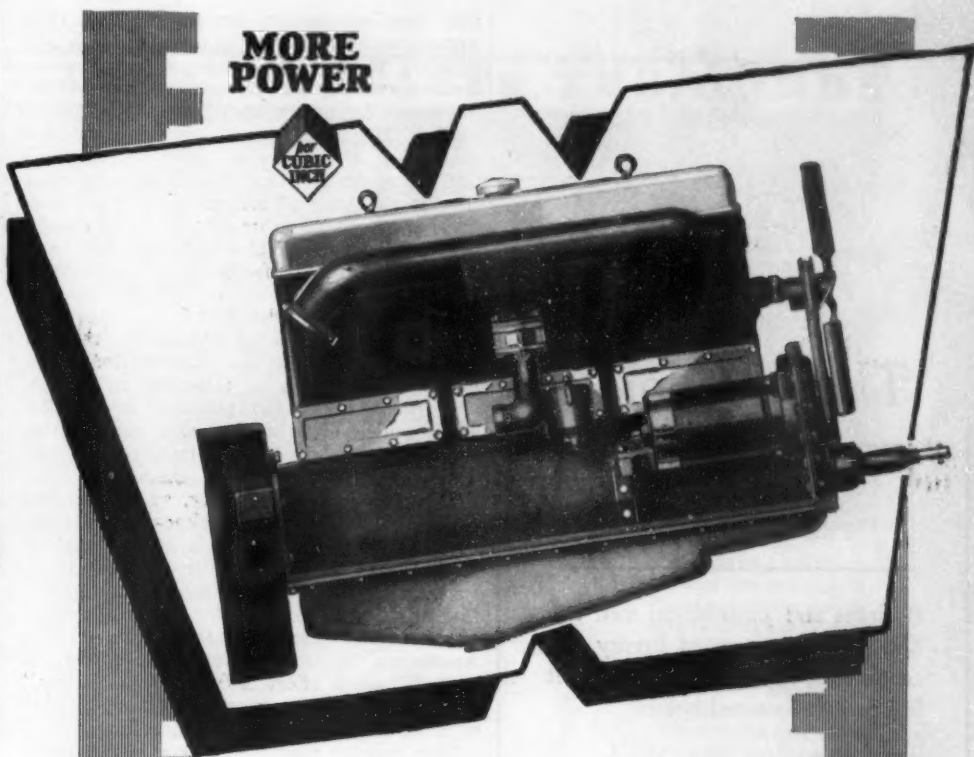
On this point, Paul M. Mazur in his book, "Principles of Organization Applied to Modern Retailing," has some interesting things to say:

"As a student . . . I could not subscribe to the theory of everlasting emphasis upon mass production. Production must finally be measured by consumption. I wanted to know the method of measuring consumption, and whether that method was only opportunism or the result of conscious effort; whether the manufacturer could continue to manufacture at top speed and then to sell, or whether he would be forced to manufacture that volume which he could sell profitably. . . .

"America is not going to be Fordized—if by Fordized we mean the maintenance of manufacturing activity on an ever increasing production schedule. American industry and commerce will make what can be consumed without the necessity of high-pressure sales and low point profits to liquidate the inventory result of constant peak production. Low cost production means nothing if the high-cost distribution necessary for the disposal of that production cancels the advantage of manufacturing huge quantities of standardized products.

" . . . But the establishment of mass production as an idol to which there must be sacrificed the recognition of a variation in consumption demands, is bound to crest industrial depressions."

Another criticism of the idol, mass production, is voiced by George B. Collingwood, in *The Magazine of Wall Street* in an article entitled "Public's Changing Taste Revolutionizes Production Methods." He attacks mass production on the grounds that it does



Built to Hold GOOD WILL

Your machine—truck, shovel, bus, or what-not—can be no better than its power unit. If the engine fails, the whole job is unsatisfactory—and priceless Good Will is lost.

For this reason Wisconsin standards of motor building permit no quibbling over details of quality. "Good enough" is *not* good enough here.

Every Wisconsin Motor—six or four, 20 H.P. or 120—is built to hold good will for the machine, truck, tractor or bus it drives. It is built to deliver More Power per Cubic Inch—at less upkeep cost per work-hour. And it does both.

May we prove this to you?

Wisconsin Motor Mfg. Co.
Milwaukee Wisconsin

Wisconsin Motors are built in a full range of Sixes and Fours, from 20 to 120 H.P., for trucks, busses, tractors and construction machinery, including models housed as industrial units.





Washington's
Palatial Hotel

The Mayflower

Home of Leaders in
Statecraft, Diplomacy,
Finance and Industry

Business and professional men will
find here the acme of luxury and
comfort, at rates no higher than at
less finely appointed hotels.

Four Short Blocks
from

U. S. Chamber of Commerce
on

Connecticut Avenue at L Street



CARLTON HOTEL

Sixteenth and K Streets

Washington's newest, most distinctive
and luxuriously appointed hotel. Lo-
cated two blocks from the Chamber of
Commerce and the White House.

Daily Rates

Single Room with Bath
Six, Eight and Ten Dollars

Double Room with Bath
Eight, Ten, Twelve and Fifteen
Dollars

Parlor, Bedroom with Bath
Fifteen, Twenty, Twenty-Five and
Thirty Dollars

Wardman Management

not meet consumer demands. That the woman who buys a pair of shoes today is not satisfied to buy the same style of shoes tomorrow. Or the prospective automobile purchaser is not content with last year's model. His argument is epitomized in this sentence:

"It is essential, then, that if mass production is to continue successful, it must also involve attention to quality, and the changing desires of the public for this latter have become the greatest factor in American business today."

To get back to the "Go-Getter Abroad," Sprague's discussion of Prosperity through Salesmanship is but an introduction to a criticism of American salesmen in foreign countries. With the pressure created by mass production it is obviously necessary to sell goods abroad. But the men we send out have been trained in high-pressure methods that prevail in this country, and, according to Mr. Sprague, such methods don't work in other countries. That is his explanation of the fact that the "British overseas trade exceeded that of the United States by no less than \$448,000,000 or 25 per cent." He voices the more or less familiar complaint that Americans in foreign countries "rush a market," which effort is "worse than useless," and commit other grave tactical errors due to a training in high-pressure selling.

This may or may not be gospel. According to B. Olney Hough in *Advertising and Selling*, it isn't. In an article entitled "Debunking Foreign Salesmanship," he writes:

"One of the shibboleths that deserves devastating exposure is that time-worn warning that the travelling salesman in foreign countries, especially Latin America, must on no account ever approach his prospect with the speech of business; that before ever a word of business is permitted to pass his lips, he must make formal, ceremonious calls and ingratiate himself, perhaps in the course of several calls, in the regard and affections of his prospects in a highly dignified social manner; that he must never speak of his goods, or of his desire to get an order; until through later interviews an acquaintanceship has developed so far as quite naturally to bring into the conversation such delicate subjects; or, as some advisers have even been known to declare, he should not refer to them until the prospect himself asks about them."

Mr. Hough goes on to point out that in foreign countries, as in this country, it is circumstances that govern. Third Avenue isn't sold in the same manner as Fifth.

"Doubtless what our friendly advisers really intend to say is that the roughneck American 'peddler' has no place in foreign selling. That is a job for men who by training, if not by instinct, are not only courteous but adaptable to all personalities and all temperaments, who at least have a passable veneer of the gentlemen of breeding. The ballyhoo artist, anciently famous on the road of this free and easy land of ours and still unfortunately popular in some sections of the Panhandle, is not popular in London or Buenos Aires."

Taxes for Reformation Or Taxes for Revenue?

IS THE fundamental purpose of taxation to raise revenue, or is it to accomplish reform? This question must be settled before it is possible to pass on the merits of a proposal made by Albert S. Bard in *The American City*.

His proposal is that horizontal building zones be made the basis of a new tax classification.

To quote Mr. Bard, "The suggestion

amounts to modification of taxation so as to apportion it in part according to the burden upon the municipality of these services" (referring to water, fire, streets, traffic police, building inspection, transit, etc.). "In other words it is classification of the subjects of taxation according to municipal burden, instead of according to money values alone."

In support of this proposal the author reasons:

"The city wishes to reduce the permitted heights to 150 feet, or perhaps to the width of the street. But there are fifty buildings which now tower 200 feet into the air, appropriating to themselves the light and air of their neighbors, who, indeed, at the moment have a potential right to build to the same height, but have never exercised it.

"The owners of these older and lower buildings oppose the new limitation, objecting that it is unfair to them, because they will be left with their lower buildings; or, if they build again, they will be restricted more than their neighbors; that there is no requirement that the taller buildings shall be made to conform to the new rule (which concededly is never done); and that when the new rule is in operation the owners of the tall buildings will be in a protected preferred class, to their great advantage, just as certainly and unfairly as if an arbitrary preference were given to a certain percentage of landowners to violate the height restrictions. And it does look very like offering a second piece of pie to the boy who can gobble down his first fastest.

"The suggestion is therefore made that the surviving tall buildings, with their protected preferential positions, should be taxed at two (or more) rates—the normal rate for a building of similar situation and cubage up to the new height restriction, and at a higher rate beyond that point."

More Criticism of Bank and Utility Holding Companies

THE HOLDING company and its relation to "branch banking" is discussed at length by *The Commercial and Financial Chronicle*. In touching the relationship of the consolidated national banks with many branches on the Reserve banks and the Reserve System, the article points out:

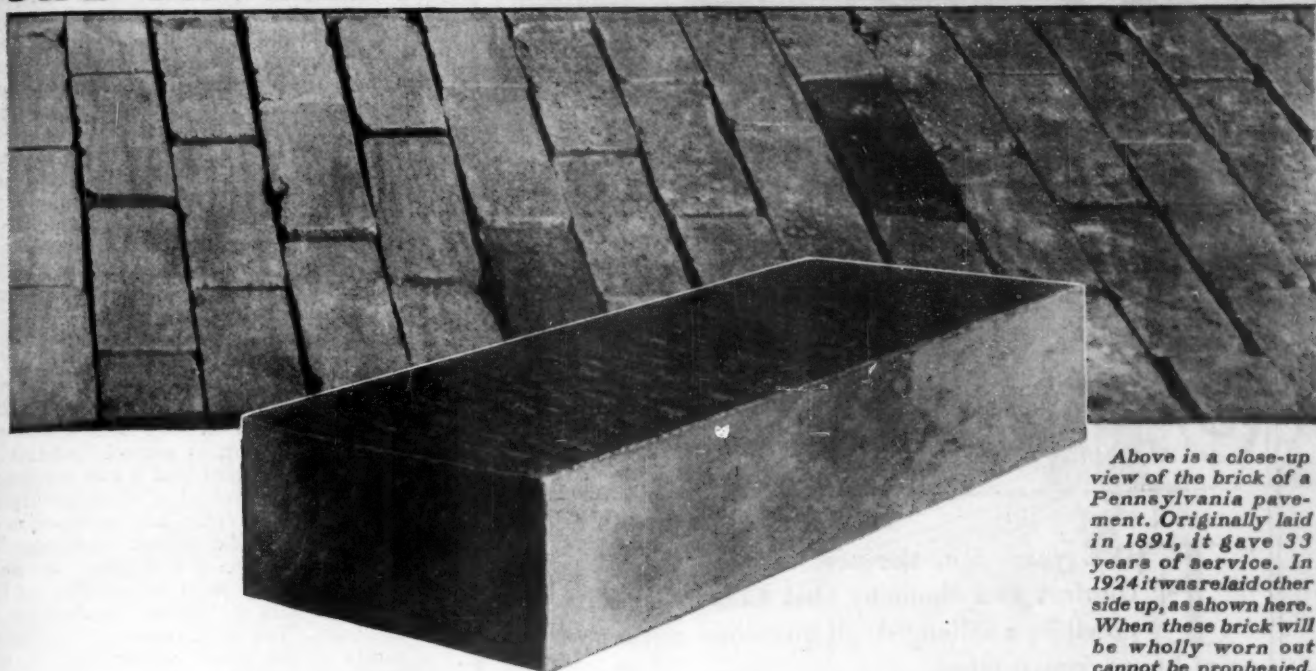
"Suppose branch-banking national banks in spreading across the country establish their branches by buying out the local national banks, how will this preserve the present regional banks in the Reserve System? Can a local national bank by majority stock purchase become absorbed in a huge national bank, or even a holding company, and at the same time remain an independent member of the System? If not, in the course of time, we shall behold a few of these tremendous consolidated institutions overshadowing the regional banks, even if under such conditions the latter can continue to exist. Any of the recent consolidated banks in New York City can in that event absorb hundreds of banks in the interior."

It then goes on to say that though consolidations in all lines of business are a natural growth "bank consolidations to secure a line of branches and dominate a state or a municipality are more forced than natural. The power comes from the top; the rivulets do not run together to make rivers."

With consolidation comes an important politico-economic effect. A "money power" that could never be defined or reduced to an entity, because it was only a political bogey can, in the course of consolidations be definitely placed; and the patron of a far distant local branch can offer proof satisfactory to himself, at least, that he is in its toils.

"With all respect to the author of this

THE PAVEMENT THAT OUTLASTS THE BONDS



Above is a close-up view of the brick of a Pennsylvania pavement. Originally laid in 1891, it gave 33 years of service. In 1924 it was relaid other side up, as shown here. When these brick will be wholly worn out cannot be prophesied.

THE brick pavement your community lays this year will still be giving completely satisfactory service in 1952 and may endure until 1967.

VITRIFIED Brick PAVEMENTS

laid from 25 to 40 years ago are still in service.

What other paving material can you count on for even 15 years of service without constant upkeep or rebuilding?

To keep taxes down, advocate vitrified brick, the pavement that outlasts the bonds.

For convincing facts and figures taken from unprejudiced public records, write to address below.

NATIONAL PAVING BRICK MANUFACTURERS ASSOCIATION, ENGINEERS BLDG., CLEVELAND, OHIO

When writing to NATIONAL PAVING BRICK MANUFACTURERS ASSOCIATION please mention Nation's Business

Changing American Building Practice

[More than 119,000 Celotex homes now built]

FIVE years ago, the new degree of home comfort and economy that Celotex made possible, challenged all previous notions of house construction.

Today there is no question about the effect it is having on American building practice. Already, Celotex has been built into more than 119,000 new homes. Sales have multiplied 19 times since 1922.

These facts establish Celotex as a basic industry.

Its market is not limited to homes of any class or size. Every home owner wants the increased comfort and substantial fuel-savings that Celotex brings. And every home owner can afford them.

To meet this fast growing demand is a practically unlimited annual supply of *bagasse*, the cane fibre from which Celotex is made. The production of Celotex is now on the basis of 350,000,000 square feet per year. Many of America's leading business men are identified with its success.

Complete information about this fast-growing basic industry may be secured by addressing Dept. M-264, The Celotex Company, 645 North Michigan Avenue, Chicago, Illinois.

CELOTEX
INSULATING LUMBER

phrase, we do not believe branch banking on a nation-wide scale is an 'inevitable economic development.' The present system of independent local banks with central city correspondents, it must be remembered, was all we had before the Federal Reserve regional banks, and save for a satisfactory emergency currency was sufficient for our credit needs. Does branch banking and towering consolidated banks endanger the Federal Reserve System and at the same time displace and disorder the natural balance of credit-power throughout the country? If it does or will, then this 'economic development' must soon become a political matter that will endanger the harmony of our Federal Union and the good-will and stability of our entire business interests. We have either driven the entering wedge, or we have not; time will show!"

Engineering News-Record comments on the recommendation of the New York Public Service Commission that it be given power by the legislature to control "holding companies to the extent that it can require them to make public record of their activities and to report all revenues and expenses in relation to the public utilities operations."

"Such legislation is desirable if the holding company is to be kept from falling into such disrepute that it will be legislated out of existence. The rapid spread of holding companies in the public utility field in recent years has caused many to wonder whether financiers are not diverting the holding company from its legitimate uses in order to concentrate part of the profits from controlled utilities in the hands of a few men. The New York Commission has taken this fact into consideration as well as the fact that the holding company performs a very useful service in many cases.

"What it asks for is not the extreme power to control operations of these companies but rather to turn the spotlight of publicity upon them, trusting that once these operations are matters of public record the temptation to speculation through the organization of holding companies will be removed for the financiers.

"Under this limited control the holding company will still have the freedom of action in financing and rehabilitating small public utilities which is so desirable in such operations, but the public will have a measure of protection against the excesses of promoters."

The Exportation of Capital and Importation of Goods

REPRESENTATIVE W. R. WOOD made a statement that "American capital gone abroad is helping foreign manufacturers to compete with American manufacturers in our home markets," according to *American Metal Market*, who takes issue with this statement. In an editorial the paper states that these loans are "the cause or result—it does not matter which—of our large exports, and have been an influence to keep down our imports." After elaborating on this statement, the editorial asks these questions:

"It is what is in store for the future that should give concern, not the lending of the money, but payment of interest or principal. Our lending money abroad does not encourage imports. That encourages exports. Repayment, on the contrary, will encourage imports and discourage exports. To be logical . . . these foreign loans should all be canceled, payments of interest and principal should be refused, for how can such payments be made, eventually, but in merchandise?

"Instead of urging resolutions to stop things it would be better to investigate first why these things occur. Why do we import

goods, and why do American capitalists loan abroad instead of investing their funds at home? Presumably it is because they see a higher percentage return than can be secured at home. Surely it is not because they see more safety for the principal.

"What is the nature, the peculiar nature, of our great prosperity that it does not offer opportunity for profitable investment at home of all our funds?"

The Clinking of Coin in the International Market Place

DUN'S *International Review* has some interesting things to say on "it might have been" or what the war cost in lessened international trade. The figures used were taken from a survey of the National Foreign Trade Council.

"Complete figures for 1925 for the nations who do more than 90 per cent of the world's export trade shows that now, for the first time since the war, international exports are at par again. These 72 nations had an export trade in 1913 valued at \$19,466,300,000. At the end of 1925 the corresponding figure stood at \$20,118,000,000, after reducing the \$30,215,200,000 worth of trade actually reported to the 1913 buying power of the dollar. Since 1913 it has thus taken twelve years to bring a 3.4 per cent increase in the actual value of exports circulating in the world.

“What world trade would have been had there been no war may be judged by the rate of advance in export trade that steadily progressed from 1900 to 1913. During those years, allowing for the inflation of gold, the annual growth in world exports was a little over 6 per cent. Had this growth continued the world would have been doing \$41,500,000,000 of export trade at 1913 values instead of \$19,950,000,000, the actual figures. At 1925 dollar values it would have done \$62,100,000,000 instead of just over \$30,000,000,000, the actual figures.

"Foreign trade has thus not filled the gap by half between the normal extent to which it would have satisfied the growing demand of human wants, had there been no war, and the extent to which it actually has met them. The accumulated shortages of these twelve years amount to the staggering total of \$210,000,000,000 at 1925 gold values, or \$140,000,000,000 at 1913 values.

"World trade has now accelerated its pace to fill this gap. Instead of a 6 per cent increase, world exports have been gaining more than 10 per cent annually for the past three years. But the world will have to increase its exports at this rate yearly for more than thirty years to make up for the ground lost during the war. Even the United States, which gained almost 32 per cent in real exports since 1913 and has made the greatest gain of all nations in volume of trade acquired, is still more than \$2,000,000,000 behind the export trade it would have had if the pre-war gain had been uninterrupted.

"The fact remains, however, that foreign traders still have an immense service to the world ahead of them in helping to make up the shortage of necessary goods which the artificial war-deflation of world needs has caused. In the United States we are at least ten years short of catching up with our normal foreign trading toward that end and the rest of the world is a full generation in arrears."

More and more industries are realizing the importance of export markets. For instance, the National Automobile Chamber of Commerce has gone into the work extensively. In the *Textile World* there recently appeared an editorial on the possibilities of export de-

WHEN **POWERS** HANDLES INSTALLMENT ACCOUNTING



H. V. Jones' 4th Payment Overdue

And there is no mistake about it.

For when the sales contract is received, Powers cards are prepared. They are the basic accounting records and when used with Powers Mechanical Accounting Equipment produce the order register, installment journal, schedule of collections due, note register (by due dates), note collection book (collections) and customer's statement of accounts.

But this is not all.

No posting to detail accounts is required. The Powers cards when filed become the note and installment ledger. Powers cards and equipment produce mechanically in printed form the trial balance, salesmen's collection statement and installment taxation schedules. They give an accurate daily control on collections, cash and cashiers.

Powers system not only handles installment accounting at a fraction of the costs of manual methods, but it protects your customers from irritating solicitations for payments that have already been made. Powers keeps your records up to date.

May we tell you about it in bulletin form?

POWERS ACCOUNTING MACHINE CORPORATION

Graybar Building

Lexington Avenue at 43rd St., New York City

POWERS

ACCOUNTING MACHINES

ADAPTATIONS

Powers equipment is in general use wherever such work as this is done:

General Accounting
Payroll and Labor Distribution
Material and Stores Record
Sales and Profit Analysis
Insurance Accounting and Statistics
Public Utilities Accounting
Census and other Vital Statistics
Traffic and Transportation
Accounting
Chain Store Sales and Inventories
Federal, State and Municipal
Accounting

Reg. U. S. Pat. Off.

[illegible]

And Foreign Countries

When writing to POWERS ACCOUNTING MACHINE CORPORATION please mention Nation's Business

ANALYZE!

and KNOW

Modern Management controls thru *Analysis*. It is a high powered spot light piercing the grey limbo of questionable things or flooding the blackness of the unknown. It's a business microscope—bringing into human vision the hidden and obscure.

The executive presses a button. "Aladdin," his modern accounting department, places before him facts and figures, arranged, co-ordinated.

Is it Trade Conditions? Markets? Materials? Processes? Costs? Organization?—The story is revealed. Thru Analysis, profits are guarded; balance and stability maintained; efficiency and service improved.

Long ago, Pascal called Analysis "the art of discovering unknown truths." Modern Accounting has made it a *necessary part of the Science of business*.

The more competent the Analysis, the better the business.

ERNST & ERNST

ACCOUNTANTS AND AUDITORS
SYSTEM SERVICE

NEW YORK	CLEVELAND	DETROIT	CHICAGO	NEW ORLEANS
PHILADELPHIA	AKRON	GRAND RAPIDS	MILWAUKEE	JACKSON
BOSTON	CANTON	KALAMAZOO	MINNEAPOLIS	DALLAS
PROVIDENCE	COLUMBUS	PITTSBURGH	ST. PAUL	FORT WORTH
BALTIMORE	YOUNGSTOWN	WHEELING	INDIANAPOLIS	HOUSTON
RICHMOND	TOLEDO	ERIE	DAVENPORT	SAN ANTONIO
WINSTON-SALEM	CINCINNATI	LOUISVILLE	ST. LOUIS	WACO
WASHINGTON	DAYTON	ATLANTA	KANSAS CITY	DENVER
BUFFALO	MEMPHIS	MIAMI	OMAHA	SAN FRANCISCO
ROCHESTER		TAMPA		LOS ANGELES

mand as an outlet for surplus cotton manufactures.

"Today there is no knowledge of the consuming ability of foreign markets based on present prices for cotton nor how much greater would be that ability were a 10-cent price for cotton the basis for consideration. A good deal has been said about the desirability of increasing exports of cotton goods, but has any thorough investigation been made by the industry concerning the possibilities of these markets? Does the manufacturer know what classes of goods can be made in competition with England, for example? There are those who have made a study of the export possibilities in textiles who believe there are a great many export outlets which could be developed either singly or through cooperation that would redound to the benefit of the domestic producer. The plan of action in concert under the Webb-Pomerene Law in the development of export trade has been possible in other industries but has been taken advantage of in the most limited manner by textile producers. Should not the possibilities of such cooperative effort be thoroughly considered by those at the head of The Cotton-Textile Institute?"

The *West Coast Lumberman* also sees an opportunity for the Douglas fir shippers to increase their business by shipping to Argentina.

"During 1926 more than 16,000,000 feet of Douglas fir was shipped to the Argentine, which is far and away the largest quantity of this wood which was ever sent to that market. The Argentine trade has been supplied almost exclusively by southern pine. Southern pine shippers in 1925 sent almost 200,000,000 feet of their product into that country.

"The east coast of South America is a wealthy territory and one which is developing rapidly. Development is of such a nature that lumber can be used to advantage. The *West Coast Lumberman* feels that here is a potential market for Douglas fir that could well be cultivated. Douglas fir has for years been popular on the west coast of South America, having dominated that market. There is just as much reason for feeling that it can become the dominant species on the east coast. Aggressive exploitation work on the east coast is needed."

A Useful Member

IN JANUARY, 1926, NATION'S BUSINESS published an article by Congressman Homer Hoch of Kansas suggesting that the Post Office Department might save a lot of money in operating expenses of the rural free delivery system without impairment of service by the consolidation and lengthening of rural free delivery routes. The article created a mild hurricane.

On his own initiative and without fanfare of trumpets, Fourth Assistant Postmaster General Billany set about a bit of consolidation along the lines of the Hoch suggestion. In cases of resignation or other vacancy among rural carriers he made consolidations and reroutings.

Up to date 457 of these consolidations have been made at a saving of some \$590,000—more than half a million dollars—an average of more than a thousand dollars for each consolidation. And in each case the carrier employed on the newer and longer route gets a better salary than the salary paid the former arrangement.

At the current rate of Congressional pay, here's one member who has saved the Government the amount of his salary for the next half century.

It Seemed Beyond Reason

—to expect a salesman to carry a furnace in his sample case, yet we showed one firm how to do it and their sales were increased remarkably. Ask us how we can make your selling easier.

Knickerbocker Case Co.

227 No. Clinton Street
CHICAGO

(3477)

An Index to Business Facts

All of the articles and comments which appeared in NATION'S BUSINESS during the past year are listed in the 1926 NATION'S BUSINESS INDEX. A copy will be sent to you free for the asking.

U. S. Chamber of Commerce
Washington, D. C.

When writing to ERNST & ERNST and KNICKERBOCKER CASE CO. please mention *Nation's Business*



OUT in the far west an appliance manufacturer was having motor trouble. A roving "high-pressure" salesman had sold him something his factory couldn't (or wouldn't) build. The stock motors he delivered didn't "stand the gauntlet" under unusually heavy service conditions.

Literally "up against it", the customer took the Domestic motor from a famous make of factory tool—and tried it out on his product. It did the work, and begged for harder going.

As a result of correspondence, Domestic is today supplying this customer with a motor of the same type and design, but slightly modified—and we're proud of him as a reference. Thus, 2000 miles from our factory, a Domestic sample sold itself.

The Sample that sold itself ---2000 miles away!

All that the Domestic Electric Company asks of any prospective customer is an opportunity to turn over to its laboratory an appliance requiring a fractional horsepower motor—then let the motor our engineers develop speak for itself. Somewhere in our long experience as builders of special motors we have met and solved most of the mechanical and electrical problems of appliance manufacturers who have motor problems to solve—and ironing out the little "kinks" that intrude on any motor application is routine business with Domestic Electric. There is permanence as well as satisfaction, in a connection with the Domestic Electric Company—the motor builder whose factory functions as a department of your business. A line of inquiry will bring information on any problem involving the manufacture or sale of appliances driven by fractional horsepower motors.

THE DOMESTIC ELECTRIC COMPANY
7209 St. Clair Avenue CLEVELAND, OHIO

Manufacturers of fractional horsepower motors exclusively

Domestic Electric Motors

"Industry's Biggest Little Thing"

When writing to THE DOMESTIC ELECTRIC COMPANY please mention Nation's Business



Domestic Universal Motor

Speeds—	
No Load	7500 r.p.m.
1/4 Hp.	5500 r.p.m.
1/2 Hp.	4750 r.p.m.
3/4 Hp.	4000 r.p.m.
Weight 38 pounds	

THINK!

Can you

- look at a labor problem without "seeing red"?
- assure improvement without "uplift"?
- give labor a hand in the management, but not a monkey-wrench to throw into it?
- plan an industrial relations problem and execute it?
- promote cooperation and good feeling?

THINK

for one moment
and you will understand
why

THE NEW LEADERSHIP IN INDUSTRY

BY SAM A. LEWISOHN

Vice-President, Miami Copper Company
Chairman of the Board
American Management Association

has been praised
by thinking executives
everywhere

If you liked Mr. Lewisoahn's article in the
March issue of Nation's Business, you
will like his book even better.

\$2.00 the copy
at any bookshop
or direct from the publishers

..... For Your Convenience

E. P. DUTTON & COMPANY
681 Fifth Avenue
New York

Please send me:

.....copies THE NEW LEADERSHIP IN INDUSTRY

Name.....Address.....
☐ Enclosed ☐ C.O.D.

For Beautiful Lawns and Luxuriant Turf—

THE Toro Park Special represents a distinct improvement over the older type of power lawn mowers. Perfectly balanced, with extreme ease of operation and every working part accessible and easily understood, it sets a new standard in the power lawn mower field.

Illustrated catalog will be sent on request. Over 1700 Private Estates and Country Clubs are regular users of TORO Grass Cutting and Maintenance Equipment. Ask the Greenskeeper at your club.

Toro Manufacturing Company

3042-3146 Snelling
Minneapolis, Minn.
Agencies and service
stations conveniently
available in all of
the larger distribu-
tion centers.



TORO Park Special

When writing to E. P. DUTTON & COMPANY and TORO MANUFACTURING COMPANY please mention Nation's Business

Recent Federal Trade Cases

Copies of the Commission's complaints, respondents' answers, and the Commission's orders to "cease and desist," or of dismissal may be obtained from the offices of the Editor of NATION'S BUSINESS, Washington, D. C., without charge by reference to the docket numbers. Transcripts of testimony may be inspected in Washington, or purchased at 25 cents a page from the official reporter, whose name is obtainable from the Commission.—Editor's Note.

SENATE resolution 329, 68th Congress, 2nd Session, approved February 9, 1925, directed the Commission to investigate and report to what extent the General Electric Company directly or indirectly through stockholders or otherwise, controlled the generation and transmission of electric power, and how said control was acquired and maintained. On February 23, 1927, the Commission submitted to the Senate a report entitled "Electric Power Industry" which is a part of the answer to the Senate resolution.

To quote from the letter of submittal that accompanies the report in part:

"But while the General Electric Company, through the Electric Bond and Share Company, was thus building up an extensive organization of electric power companies, the field was so large that there were abundant opportunities for any other group with sufficient financial backing and expert knowledge to do likewise. Indeed the firm of Stone and Webster in many important respects was the pioneer in this activity, rather than the Electric Bond and Share Company. At any rate there has developed, in fact, a number of other important electric power groups which in 1924 far exceeded in the aggregate the General Electric group.

"One of the problems of public interest concerning some of the large electric power groups is the extreme degree to which 'pyramiding' has been carried in superimposing a series of holding companies over the underlying operating companies so that in one instance less than a million-dollar investment in the majority of the voting stock of the apex holding company gave in 1925 full control of the entire organization of the group, having scores of underlying companies and several hundred million dollars of investment. Such pyramiding not only affects the financial stability of the electric power industry but also has a potential relation to the more general question of an undue concentration of control in the electric power industry."

ON FEBRUARY 16, 1924, the Senate directed the Commission to investigate the production, distribution, transportation, and sale of flour and bread, showing costs, prices and profits at each stage of the process of production and distribution from the time the wheat leaves the farm until the bread is delivered to the consumer; the extent and methods of price fixing, price maintenance and price discrimination, the developments in the direction of monopoly and concentration of control in the milling and baking industries, and all evidence indicating the existence of agreements, conspiracies, or combinations in restraint of trade.

On February 11, 1927, the Commission submitted a preliminary report entitled "Bakery Combines and Profits." This report considers certain of the more important phases of the inquiry in so far as the bread-baking industry is concerned, including (1) the consolidation movement in the industry, (2) the development of the largest baking companies, including "Ward," "General" and "Continental"; (3) the extent to which the formation of the Continental affected competition; (4) the close interrelation of these large consolidations and the formation and judicial dissolution of the super-combination—the Ward Food Products Corporation; (5) the rates of return on investment and costs and profits per pound for wholesale bakers; (6) the relation of consolidation to costs of production and distribution; and (7) a comparison of the costs of producing and selling bread for wholesale, house-to-house and chain-store bakers.

PROCEEDINGS before the Federal Trade Commission, or related to its activities, for the month are reported here:

Preliminary report, "Electric Power Industry," submitted to Senate. Deals with pyramiding of holding companies.

"Bakery Combines and Profits" preliminary report sent to Senate. Supreme Court petitioned for certiorari in price-cutting case.

A CHICAGO firm, a fine cotton goods converter, has been ordered to discontinue the use of its registered trademark "Nusylk" in connection with the sale of cotton fabric.

The Commission found that the company imports a greater part of its cotton cloth from England, where it is made up according to the company's specifications. It is

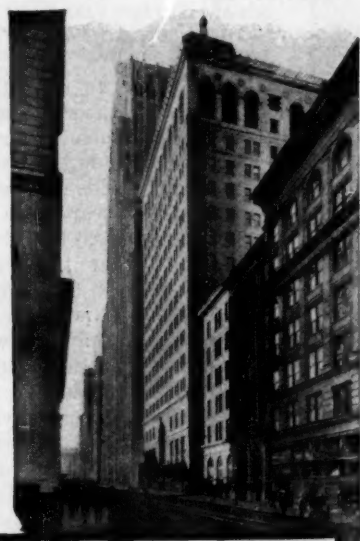
received in the gray state as it comes from the looms and is converted by bleaching, finishing, printing and dyeing. When converted the cloth has a luster and finish that gives it the appearance of silk.

It was also found that the labels and advertising matter of the company carried the word "Nusylk" in conspicuous letters and the words "superfine cotton" greatly subordinated and inconspicuous. (Docket 1313.)

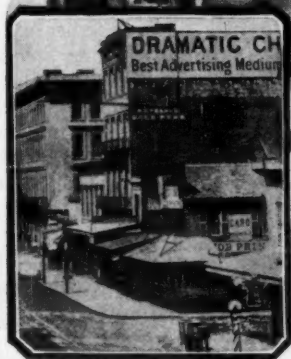
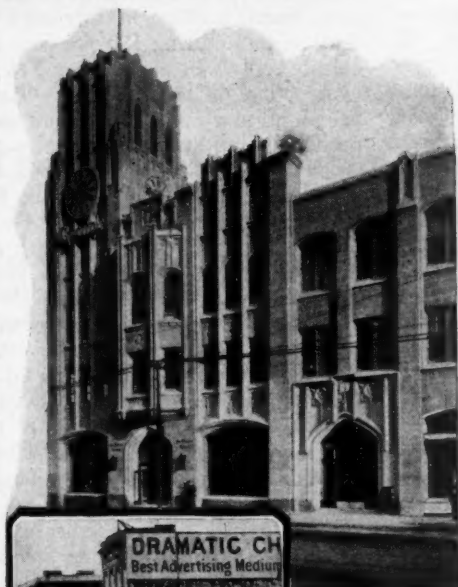
LAST NOVEMBER the Second United States Circuit Court of Appeals handed down a decision overruling an order of the Commission in its Docket No. 1148. The reversal was by two judges, one dissenting. The Commission on February 3 this year petitioned the Supreme Court of the United States for certiorari, claiming that the decision is at variance with decisions in other circuits and of the Supreme Court.

The company, which manufactures and sells perfumes and cosmetics, was ordered by the Commission, among other things, to cease acting on reports from customers as to other customers who are cutting prices. It appears that the company did not request such reports except in a few isolated instances. Pointing out that the company did not monopolize its line or use unfair or fraudulent methods, the circuit court, in overruling the Commission, said in part:

"It (the company) did not seek out price cutters but from time to time they were reported by competitors in the jobbing and retail business. . . . No list of price cutters was kept, no system of follow-up was pursued after the form letter was sent out, and there was no established method of interviewing or keeping in touch with the retailer or jobbers. . . ."



(1)



(2)

(1) Montgomery St., 1927, 1865
(2) The Chronicle, 1927, 1865

San Francisco Stock and Bond Exchange Second only to New York

Doing a volume of business exceeded only by that of the New York board, the San Francisco Stock and Bond Exchange ranks second in the United States.

Montgomery Street, six decades ago, was as it is today, the "Wall Street of the West," and this cradle of finance was also the early home of the San Francisco Chronicle, then the Dramatic Chronicle.

For 62 years, The Chronicle has reflected and interpreted financial movements, its close touch with markets making it the guide of thousands of investors.

Financial men early saw the advantages of this paper as an advertising medium, and today it holds a unique position in this field, ranking not as an ordinary newspaper, but as a financial institution. Because advertising in The Chronicle's financial section brings returns not obtainable through any other medium, this paper carried 728,014 lines of financial advertising during eleven months of 1926—more than the combined lineage carried by the second and third newspapers.

San Francisco Chronicle

An Economic Survey of Lakeland, Florida, is Now Available

To meet the numerous requests for information concerning Lakeland and Polk County, Florida, the Chamber of Commerce has prepared an Economic Survey of the city and surrounding territory, which will be sent to interested inquirers.

If you are interested in property in this section of Florida—if you are interested in getting on the ground early to sell your products to a prosperous community—if you want to know the TRUTH about this section of Florida as told in facts and figures, let us send you a copy of the Economic Survey. It is free!

Lakeland
Chamber of Commerce
211 Orange Street
LAKELAND, FLORIDA



Bureau of Canadian Information

The Canadian Pacific Railway through its Bureau of Canadian Information, will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. In our Reference Library at Montreal is complete data on natural resources, climate, labor, transportation, business openings, etc. Additional data is constantly being added.

Development Branch

If you are interested in the mining wealth and industry of Canada or in the development or supply of industrial raw materials available from resources along the Canadian Pacific Railway, you are invited to consult this Branch. An expert staff is maintained to investigate information relative to these resources and to examine deposits in the field. Practical information is available as to special opportunities for development, use of by-products and markets, industrial crops, prospecting and mining.

"Ask the Canadian Pacific about Canada" is not a mere advertising slogan. It is an intimation of service—without charge or obligation—that the information is available and will be promptly forthcoming to those who desire it.

CANADIAN PACIFIC RAILWAY CO.
DEPARTMENT COLONIZATION AND DEVELOPMENT
J. S. DENNIS
Chief Commissioner
Windsor Station
Montreal, Can.

Can the Farm Be Factory-ized?

By Sam R. McKelvie

Former Governor of Nebraska and Editor, "The Nebraska Farmer"

THE FIRST and most important step toward bringing agriculture into line with industry is to factory-ize the farm. This means greater efficiency of production and distribution plus the control of output.

This is not to say that the American farmer is not efficient. In terms of horsepower, he has increased his efficiency from four to five times in fifty years. He is two and one-half times as efficient as any other agricultural worker in the world. At that, he is only half as efficient as industry, measured by the same yardstick. From this, it would seem that the American farmer must work twice as long as the American factory in order to produce the same results, and that is about what he does.

Mass production—that is, maximum production per unit—is the shibboleth of industry. It has wrought wonders, enabling unusual profits to factory owners and the highest scale of wages labor ever has known. The more efficient and general use of machinery and electricity have made it possible.

Mass production on the farm is not a fanciful dream; it is a fact, demonstrated daily by farmers in every line of endeavor.

During the years 1925 and 1926, 88 farmers in eastern Nebraska secured average yields of 60½ bushels per acre in ten-acre corn-growing contests. The ten-year average for that region was 33 bushels. The average cost of production per bushel was 39c for the contestants compared with 58c for all farmers. The average profit per acre at 60c per bushel was \$7.76 for the contestants, and 45c per acre for all farmers. These figures were arrived at by the Agricultural Experiment Station of the Nebraska State University.

8,000,000 Costly Cows

SOME time ago, the United States Department of Agriculture said that of 25,000,000 dairy cows in this country, 8,000,000 were not paying their board, a like number were barely breaking even, and the balance were returning a profit to the owners. Following the subject further, it was revealed from cow-testing association reports that a cow producing 100 pounds of butterfat per year gave a return of \$10 above the cost of feed, while a 200-pound cow showed a return of \$42, a 300-pound cow \$72, and a 400-pound cow \$106 above the cost of feed.

It may be argued that it is impractical for all farmers to hope to obtain the results secured by the 88 farmers in the corn-growing contests or to maintain herds of cows that produce average yields of 400 pounds per cow per year. The answer is that it has been and is being done under ordinary farm conditions plus good management. There are two herds of cows in Lancaster County now that have better than 400-pound records to their credit. They are farm herds.

Also, the argument will be advanced that

weather has so much to do with farming that more efficient methods are not a guarantee against unprofitable yields. Yet 50 eastern Nebraska farmers that we know of produced average yields of corn of 55 bushels per acre last year while the average for that region was 26 bushels per acre, this being an off year from a weather standpoint. No doubt, numerous others did as well. Also, in western Nebraska where the moisture supply is always questionable, 32 farmers in 1925 and 1926 secured yields of 34 bushels per acre compared with a 10-year average yield of 16 bushels for that region. Experiences in growing wheat are even more pronounced.

One might produce almost limitless illustrations to prove the practicability of mass production on the farm, but those given above are sufficient.

Modern Salesmanship for Farm

INCREASED production in the factory has been accompanied by more efficient methods of marketing. It must have been so, else the Industrial Conference Board could not have brought forth its recent report showing that during the last 25 years population increased a little more than 50 per cent, mine production increased 231 per cent, manufacturing 190 per cent and agriculture only 38 per cent. Yet there is overproduction on the farm. The factory has found new markets and new uses for its products, and has invoked the most aggressive methods of salesmanship. This can be done for the products of the farm—indeed, it is being done.

About 81 per cent of the corn grown on American farms never moves out of the county in which it is grown. Of the balance, only 2 per cent is exported, and a part is fed, but there are over 100 articles manufactured from corn which find a ready demand, not only in this country, but abroad. Indicating the extent to which this manufacture might grow, the United States imports between 7 and 8 billion pounds of sugar per year. One hundred million bushels of corn will produce two and one-half billion pounds of sugar—and it is good sugar, capable of being used for many practical uses in the household and the factory. I have before me now a letter from H. E. Barnard, president of the American Institute of Baking, in which he says, "I wonder if you are aware that within the last two or three years, the baking industry has learned how to use corn sugar in fermenting its bread doughs, and at the present time is using about one-half million pounds of sugar per day."

There are numerous uses to which the products and by-products of corn are being put, and many better uses that could be made of these products, both on the farm and off. The same is true of other agricultural products.

The more economical and profitable distribution of agricultural products requires cooperation among producers. Thus vol-

At Cleveland's City Hall

This picture was taken in the Department of Public Utilities, Division of Light and Power. Each girl is making entries in the Stores and Wagon Records. The books standing on the desk, as well as those in use, are Brooks Visualizers.



The City of Cleveland Believes in Speed with Accuracy and in Efficiency with Economy

The Stores and Wagon Records cover Purchase, Receipt and Disbursement of many items and require the use of twenty Brooks Visualizers. As the items are disbursed to the maintenance men they are credited to Stores and charged on the Wagon Record to the particular wagon sent out on each job. Returned items are charged back to Stores and credited on the Wagon Record.

The old, blind ledger system, in use two years ago, was cumbersome; it covered only the principal items, and was balanced every ninety days.

Since Brooks Visualizers were installed, every item has been accounted for and a balance taken every thirty days. The City of Cleveland is but one of a large number of municipalities using Brooks Visualizers.

THE BROOKS COMPANY, 1235 Superior Avenue, Cleveland, Ohio

Offices in 67 Cities

Distributors for Canada: Copeland-Chatterton, Ltd., Toronto

Brooks Visualizers are loose-leaf books, divided into sections by tabbed division sheets. Back of each division sheet you can file from ten to twenty-five overlapping record sheets, on the visible portion of which is the indexing name, address, number, or whatever you wish. These books are used by every type and size of business and by municipalities, states and public service corporations.

FLEX-SITE
PATENT SHEET

BROOKS VISUALIZERS

TRADE MARK

FOR ACTIVE BUSINESS RECORDS

Copyright 1927, The Brooks Co., Cleveland



Jade vanities at \$400 ... needlepoint handbags at \$495 ... agate ash trays at \$65 ... tortoise shell toilet sets at \$900 ... gloves, umbrellas, negligees and other femininities of parallel quality.

Is it possible to build a catalog capable of portraying such merchandise attractively enough to win mail-order customers? Saks-Fifth Avenue found it so. Through process engravings, capable printing, and the quality of Cantine's Coated Papers, they achieved utter gorgeousness* in print.

Cantine's Papers are the product of a mill devoted exclusively to coated papers since 1888. The quality that comes from able specialization has made The Martin Cantine Company the largest producers of coated paper in America today. For free sample book showing Cantine Papers for all good-printing requirements, and name of nearest distributor, address Dept. 455

*Every three months a handsome steel-engraved certificate is awarded to the producers of the most meritorious job of printing on a Cantine paper. The contest closing December 31, 1926 was won by William C. Popper & Co. of New York for their work on The Saks-Fifth Avenue Gift Catalog. To enter the current contest, send specimens of your work to The Martin Cantine Company.

MARTIN CANTINE COMPANY, Saugerties, N. Y. New York Office, 501 Fifth Avenue

Cantine's **COATED PAPERS**

CANFOLD

ASHOKAN

ESOPUS

VELVETONE

LITHO C.I.S.

Sometimes It's Well to Waste

Millions of dollars worth of by-products go to waste on the farm every year. But when you consider the cost of transporting this raw material to a place where it can be used, that puts a different light on the problem.

Harrison E. Howe, Editor of Industrial and Engineering Chemistry, explains the why of it in the May number of NATION'S BUSINESS.

ume of production is joined with grading, standardization, branding and enhanced selling force. The strides that are being made in this direction are almost unbelievable—yet little more than a beginning has been made.

A cooperative creamery in western Nebraska, starting ten years ago with a capital of less than \$5,000, now has a net worth of over \$150,000, and has paid out nearly that amount in dividends. The net profit for 1926 was \$42,000. In the same locality, an egg cooperative secured on its first shipment to a metropolitan market 34c for white extras, 33c for brown extras, 30c for trades and 28c for checks, compared with an average local price of 22c. Had these eggs been sold by the individual producer, as had been the custom, the low local price would have had to be taken. It was only through proper grading and co-operative selling that the better results were secured.

Combination for Competition

IN NORTHWESTERN Nebraska, potato growers suffered heavy losses due to over-production and the uneven quality of their product. They discovered that there was a very fine market for these potatoes as seed in the southern states if the quality could be assured. So they organized a certified seed potato growers' association and more than doubled the price to the grower.

If the consumption of agricultural products will not keep pace with the increase in population as indicated by the figures of the Industrial Conference Board, the question of recurring surpluses is a most serious one. It may not be possible or practical to increase consumption in the ratio that mining and manufacturing have done, but certainly it is possible to create a far greater demand for agricultural products than thus far has been done.

The question cannot be abandoned here, for mass production and more efficient distribution have not been wholly determining in factory success. A third element—and a very effective one—has been brought to bear. The factory limits its output to prospective demand. This is facilitated through the control of labor.

The apostle, possibly the founder, of mass production was Henry Ford. He invoked the minimum \$5 day for eight hours' work, and the country looked on amazed. Other branches of industry said such a condition was uneconomical, unsound and could not prosper, but it did prosper and industry came to it. Mr. Ford made and sold more cars at a lower price than he ever had before. Now, Mr. Ford advocates the five-day week, and labor is with him. It is notable in this connection that the sale of Ford cars declined somewhat within the last six months. Evidently, he perceives the impracticability of working men more days than is necessary to supply the demand.

These illustrations are sufficient to prove my point. They are not the exceptions, but the rule. Industry everywhere is controlling production as nearly as possible to the requirements of the market, thus maintaining the price at profitable levels and taking advantage of the American tariff.

These facts are contrary to the theory that American industry produces as much as it can, sells what it can to the American market at a profit and dumps the balance on the foreign market at a loss. If such a thing is happening, it is in a most limited degree, and not as much now as it was before European industry began to get back onto its feet.

I know that the opponents of this theory will say, "It cannot be done; the farm is not like the factory; it cannot be operated on that basis, and the proposal will fail for more than one reason; that uncontrollable elements—the weather, for instance—will defeat it."

The answer to this objection already has been given in that corn yields have greatly increased in spite of unfavorable crop conditions and the same is true unvaryingly with reference to other crops. It is not the weather that does the damage so much as failure to take advantage of scientific facts.

In western Nebraska and Kansas, there are farmers who never have had a failure in growing wheat, yet thousands of farmers do experience such failures all too frequently. Those who succeed year after year do so in spite of the weather. They provide against it by properly fallowing their land.

Livestock Influences on Corn Price

THE next common argument is that if all farmers were to practice these better methods, the surplus would grow and the price would be depressed so that even those who manage most efficiently would not be able to secure a profit. On this point, Prof. P. H. Stewart of the Nebraska State University Farm points out that: "From a national standpoint, this is probably true, although with corn it must be remembered that since more than 80 per cent of the crop is fed to livestock the price of cattle, hogs and sheep more nearly determines the returns from corn than does the market price of the corn itself.

"More corn per acre, however, does not necessarily mean a greater total production since if the land is to be rotated with legumes to produce the high yields, there will of necessity be fewer acres left for corn. Few, if any, corn belt states now have as great an acreage of alfalfa and clovers as might well be grown from the standpoint of diversification, soil maintenance and livestock production."

Farmers must be governed by the probable demand for their products as indicated by facts frequently published and disseminated by official agencies, such as the United States Department of Agriculture. A warning has just been sent out from that source indicating that unless farmers limit their activity in the production of the major crops, great surpluses are imminent.

That it is practical to invoke this limiting process is indicated in the fact that surer yields result from crop rotation or fallowing. Last year, the corn acreage in Iowa was one-third the total acres in cultivation. If a four-year rotation were put into practice instead of the three-year plan as is now generally observed, the acreage would be reduced by 8,250,000. If more scientific methods were practiced, the total production would not be too greatly re-



Every Roof
Needs Insulation

Five Things Armstrong's Corkboard Roof Insulation will do for you

- 1 Make your top floor more comfortable, winter and summer;
- 2 Make your building easier to heat in winter;
- 3 Effect a substantial saving in fuel bills;
- 4 Enable you to heat the building with a smaller size heating plant than otherwise would be required;
- 5 Prevent condensation of moisture on ceilings.

Regardless of how weather-tight your roof may be, unless it is properly insulated, a large part of the heat in the top floor is conducted through the roof to the air outside and *wasted*. In summer, the heat of the sun passes through the uninsulated roof and makes the top floor uncomfortably hot.

Armstrong's Corkboard will make your roof "heat-tight" and reduce this winter waste of fuel and summer discomfort. Any roof, old or new, flat or sloping, wood, concrete or metal, can be thus protected with Armstrong's Corkboard.

Send for 32-page book containing complete information. Armstrong Cork & Insulation Company, 195 Twenty-fourth Street, Pittsburgh, Pennsylvania.

Armstrong's
Corkboard Insulation
for the Roofs of All Kinds of Buildings

"EVEN BETTER STEAM GENERATION"

—is a book which will interest you. It presents in a new light the part that *informed management* is playing in power economy.

Packed into the few pages of this book will be found the gist of twenty years' experience of the Fuel Engineering Company organization, and that of its clients' executives, in making industrial steam generation a smooth-running, precisely controlled, economical process.

A COPY OF THIS NEW BOOK will be sent to any business executive, upon request.

FUEL ENGINEERING COMPANY
of NEW YORK

Consulting
Fuel and Power Engineers
116 EAST 18th STREET
NEW YORK



ESTABLISHED 1907

Capital for Sale!

THE capital we are offering will never depreciate in value. It can be purchased cheaply.

Capital for the education of your children, for your own freedom and independence in old age, for the creation of an estate for yourself and your heirs — that is what modern life insurance is. The name of this capital is "Endowment Insurance."

We have an interesting booklet on this point, "Estate Creation Through Life Insurance." Your local John Hancock office will be glad to send you a copy, or one can be obtained by writing to Inquiry Bureau,


LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

197 Clarendon St., Boston, Mass.

NB

duced, the price would be favorably affected, and one-fourth of the land could be rotated with other crops, particularly grass, thus maintaining fertility, a thing of prime importance for today and the future.

To farm the land at full capacity while producing a surplus at a loss is exactly like running a factory full blast without regard for market requirements or the preservation of the machinery. If one would be impressed with what this means for the future of agriculture, it only is necessary to take into account that the population of the United States will increase by not less than 40,000,000 people within the next twenty-five years. When that time comes, the greater demands for food should mean a very much more profitable domestic market for farm products. Much of this profit will be absorbed in restoring fertility to the land unless extravagant methods of farm management are prevented.

It is not practical or possible to con-

trol farm production exactly to the requirements of the market. The best that can be hoped for is an approximation. Surpluses that arise from unusual weather conditions, or temporary declines in demand may be abated somewhat in their effect by pooling the interests of producers so as to carry unperishable surpluses against the time of need.

It requires no stretch of the imagination to realize that as these policies of factory management are invoked, the shorter day on the farm will follow. There is no telling how much the farm work day has been shortened in the last twenty-five years, but certainly some progress has been made.

The industrial interests of the nation can help to make this program effective by encouraging better marketing methods, finding new uses for agricultural products and strengthening market reporting information so that disastrous surpluses of staple agricultural crops may be avoided.

Putting Statistics to Work

By E. H. Brown

THE GREAT need of American business today is more definite and easily applicable statistics. Not necessarily more statistics. The business man is already engulfed in a vast ocean of figures showing how many pounds of betel leaf are masticated annually by each inhabitant of the Zuzu Islands or the estimated tonnage of ice on the polar caps, and he is daily assaulted by bulletins of the association for the improvement of this or that, bulletins which are crammed with rows and columns of figures which are of no practical value to him.

When Data Are Practical

BUT present that same business man with figures telling that there are 8,533 independent retail grocers in John Brown County, or inform him that from his place of business he can reach 275,439 drug stores with first morning express service, and he sits up with a jerk. Here is something that he can apply directly to his business, data which will aid him in selling his goods, facts which will reduce his costs.

Such were the thoughts responsible for a new industrial survey and market analysis published by the Chamber of Commerce at Dallas, Texas, a survey which is a radical departure from the ordinary. It deals with basic facts.

The admitted purpose of the survey is to bring new industries to that city. But, in presenting its claims, the officials of the local Chamber of Commerce felt that something was needed to replace the generalities, platitudes and superlatives of so many "industrial surveys." Ruthlessly casting aside adjective modifiers, the survey presents fundamentals only—facts and figures which, when properly applied, should be of the utmost value to manufacturers and wholesalers and, to some extent, to the retailers as well.

First, an actual count was made of the retail stores in the four southwestern states of Texas, Oklahoma, Arkansas and Louisiana as listed in a credit reference

book. Not content with presenting these original figures in tabular form, each store was spotted on county maps of the southwest, a separate map for each line of retail business—twenty-four in all. Other facts of importance—native white and negro population, automobiles, bank deposits, income tax returns, production of wealth, transportation facilities, express and freight service and like information—were shown in a similar form, graphically by counties.

The composite picture of southwestern business thus portrayed is remarkable indeed. The interested business man can actually see the entire situation without the necessity of perusing expatiated documents or struggling through masses of figures.

While the primary purpose of the survey precluded its extension to other states, nevertheless the information it contains points out how similar analyses of other territories may be prepared to the benefit and profit of the manufacturer or wholesaler who desires to conduct his sales or advertising campaigns on something closely akin to a scientific basis.

Profitable Markets Foreseen

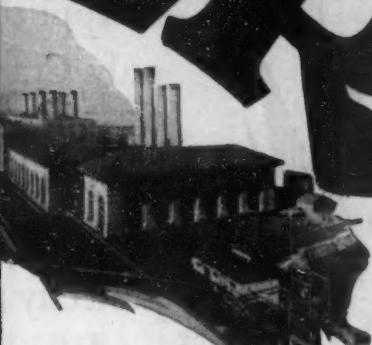
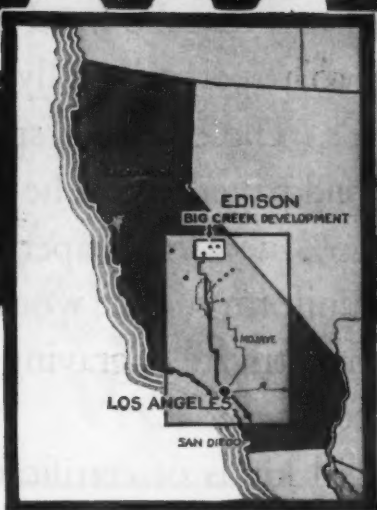
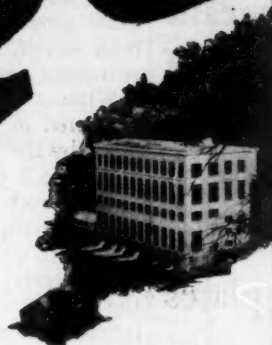
THE method of presentation depicts graphically actual market possibilities and may be used effectively in determining sales quotas, prorating advertising expenditures, selecting distribution points, laying out salesmen's territories, selecting advertising media, and even for equalization of transportation charges when competition makes this necessary.

As a concrete example of the direct application of this type of data let us consider John Doe & Company, a manufacturer at Shreveport, Louisiana, who produces ribbon cane syrup. For a number of years this concern has been marketing its product in gallon pails, the principal sales being in the nearby country parishes of Louisiana and a few counties in East Texas where the country folk liberally mix the syrup with country butter and spread it

Abundant

Dependable

POWER



21

water power plants, capacity 480,000 h.p., are included in the 250-million-dollar Edison System.

4

steam plants contribute an additional 368,000 horsepower to this system

in Southern California!

The manufacturer who locates his plant in the rapidly growing industrial area of Southern California is assured abundant, dependable power from the third largest hydro-electric company in the world with a connected load of 1,450,298 horsepower.

The Southern California Edison Company's industrial load alone is 632,488 horsepower, serving over 8,000 manufacturing plants having 200,000 employees.

Its huge system includes 21 water power plants and 4 steam plants. This system represents an investment of \$250,000,000 and \$42,000,000 more will be spent in 1927 to increase facilities to keep pace with the rapid industrial growth of Southern California.

The Edison System will generate two and one-half billion kilowatt hours in 1927--more than the total in the United States in 1905!

Rates are regulated by the State Railroad Commission and industrial power rates are particularly low. For complete data, address



Southern California Edison Company
Los Angeles!

All Rag Bond is True Bond

It is an interesting fact of paper manufacturing history that the word "bond" as applied to paper originally meant only Crane's. The engraver spoke of "Crane's bond paper" when he wanted a crisp, 100% new rag paper whose fine, hard, uniform surface would take perfectly the intricate engraving plates used for securities.

Almost all kinds of certificates are still engraved on Crane's Bond, and it is still the true bond paper, though custom now applies the term loosely to any paper used for business stationery. Those rugged, masculine qualities which have given Crane's Bond long and distinguished financial associations, likewise fit it to be the general business letterhead of American business, and it is rapidly coming to be that, as more business executives give a thought to their letter paper.

To the executive in charge of purchasing: Any printer, engraver, stationer, or lithographer can submit specimens and estimates on Crane's Bond.

Crane's Bond

A 100% NEW WHITE RAG BUSINESS PAPER

CRANE & COMPANY · DALTON, MASS.

When writing to CRANE & COMPANY please mention Nation's Business

thickly on luscious southern biscuits. Sales have been made almost exclusively through the general stores.

This company, under the belief that it has been neglecting its most profitable field, has recently decided to package its product in pint cans for the hot-cake-eating city trade and sell through the retail grocery outlet, while at the same time retaining its bulk business.

How the Survey Helps Plan

A GREAT deal of preliminary work has been done, new machinery installed, a label adopted, a trade-mark registered, and plans laid for a first year's production of 5,000 gross. Production problems having been solved, or at least prepared for, the remaining question is sales and advertising.

Without some definite basis such as that presented in the survey and analysis published by the Dallas Chamber of Commerce, John Doe & Company would perforce have to fall back on population figures as a guide. Syrup in pint cans is sold principally through the retail grocery outlets and then largely in urban communities. But the retail grocery stores do not follow population at all uniformly.

Of course, the sales and advertising managers know that there are more grocers in the larger cities, but the great cities of the southwest, or most of them, are not located close to Shreveport. It would be a waste of money to travel salesmen to the distant points if the product could be marketed closer to home.

A check of the grocery stores, by counties, such as portrayed in the survey and analysis published by the Chamber of Commerce at Dallas, shows at a glance the counties which have the greatest number of grocery stores—hence the largest possible number of potential customers. The number of grocery stores may be checked against rural and urban population in estimating the consumption in the territory, and it may be further adjusted with any other special factors which might influence the sales of this particular commodity under the sales policy of the company. The most profitable counties are selected for intensive sales work; a county sales quota is determined upon. Territories are assigned in such manner that each salesman can cover his territory expeditiously and economically, while, at the same time, each man has approximately the same number of prospective groceries on which to call.

The advertising manager then examines the circulation figures of the newspapers or other media he wishes to use and checks these figures against the buying population and the number of stores. He pro-rates his advertising expenditures accordingly, and the campaign is ready to start. Concentration of effort is assured, sales and advertising have a definite ratio to consumption, and outlets and waste are guarded against.

After the campaign is under way the sales manager, in addition to the usual sales efficiency reports showing relation of sales to calls, quantities sold per order, quota percentages, and so on, secures a very illuminating report showing the relation of calls to prospects and, over a period of time, the average sales per prospect.

This latter ratio will become one of the most valuable sets of figures maintained by the company. With it John Doe & Company will be enabled to estimate sales very accurately as their expanding business takes them into new territories. And upon these figures Mr. Doe himself can anticipate future capital expenditures.

The foregoing example necessarily glosses over the many trials and tribulations which confront John Doe & Company as they place their newly packaged product on the market. But it serves to demonstrate the basic value of this type of statistics. Regardless of whether production problems or advertising and sales come first, the application of the figures is materially the same.

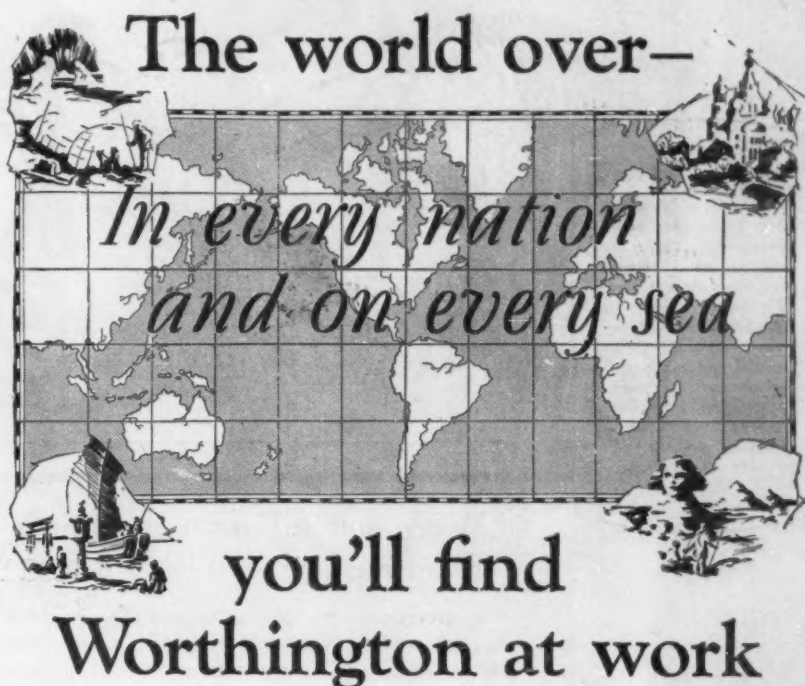
Comparison of Markets

THE market for any product sold through the retailer is clearly and quickly determined by a graphic presentation of this kind. The relative value of counties, by area, is indicated. El Paso and Galveston counties in Texas, for instance, have identically the same number of grocery stores, yet one has approximately double the area of the other. Manifestly, assuming equal distribution, sales costs will be higher in one than in the other.

The wholesaler should find such figures equally valuable in planning his own sales campaign and, equally important, in checking results. If the sales in two counties with approximately equal areas and equal number of retail outlets show materially different results and an examination of the sales records relieves the salesmen from blame, it is apparent that the trouble originates from other causes. Perhaps it is competition. Perhaps something else. In any event, the difficulty having been localized to an individual county or perhaps a small group of counties, reinforcements in the shape of special advertising or whatever may be necessary to correct the evil may be rushed to the scene quickly and inexpensively. Curing a sick county is much less costly than doctoring an entire state or a territory, because there is no waste. Without a knowledge of the actual number of outlets it is exceedingly difficult to localize the trouble.

The manufacturer in another part of the country, whether he sells direct to the retailer or through the jobbers, may also use this type of information with equal success. If he sells through a jobber or wholesaler, the map shows him exactly the logical distribution points in each state from which he can ship and sell his product most economically. He, too, can arrive at a proper sales quota and select his jobbers or wholesalers from among those equipped to cover the field thoroughly. If he travels his own salesmen but ships through the jobber, he may find that there are certain counties or areas which his specialty men cannot profitably cover. These he may leave to the jobbers' salesmen.

The value of statistics is the use to which they may be put. An actual count of the number of retail stores in a given area, employed in conjunction with other relevant figures, may be used with profit in sales and advertising planning with the surety that expenditures based thereon will bring the greatest dollar for dollar return.



If you travel from the Equator to points well inside the Polar Circles, you will find Worthington Pumps, pumping away faithfully and efficiently.

On ships ploughing the Seven Seas, Worthington Condensers and Worthington Pumps have served so well for more than two generations that they have become standard. And now Worthington Diesel Engines are setting a new standard for marine motive power.

On the locomotives of railroads all over the world, from the Canadian National to the Florida East Coast in North America, and from the Hong Kong Railway of China to the Nitrate Rail-

ways of Chili, you will find Worthington Locomotive Feedwater Heaters saving fuel and water.

Throughout Europe and in the Orient, you will find Worthington pumps, compressors, and power equipment working for industry and in the service of cities.

And here in America—right in your own community—in hotels and office buildings, power houses and manufacturing plants, you will find Worthington equipment doing the pumping or furnishing the power or conserving energy.

Worthington at work, an important factor in the industrial and civic life of many nations.

WORTHINGTON PUMP AND MACHINERY CORPORATION
115 BROADWAY, NEW YORK CITY

BRANCH OFFICES IN 24 CITIES

Pumps . . Compressors . . Condensers and Auxiliaries . . Oil and Gas Engines
Feedwater Heaters . . Water and Oil Meters

WORTHINGTON



7535-4

When writing to WORTHINGTON PUMP AND MACHINERY CORPORATION please mention Nation's Business

BENJAMIN FRANK-

LIN, on the old Post Road from Philadelphia with a home-built device of his own making, marked off the miles and placed the milestones. The horse may not have traveled in the exact road center, the wheels may have wobbled, the device probably loosened as the journey progressed—we would hardly settle national boundaries or individual property rights on the same basis today.



When you sell any instrument of measurement it must be CORRECT

The difference of a degree means life or death in the sick room. The difference of a degree means success or failure in many an industrial operation. The manufacture, the sale, of an instrument of measurement entails heavy responsibility on the part of its maker, its seller.

The merchant who sells such instruments to the public may not have the time or the knowledge necessary to test and personally guarantee each instrument. But he can have assurance based on the tests men of science, of medicine, of industry, have subjected such instruments to—and be guided by their decision.

It is no accident that the great majority of such men prefer Tycos. They carry the guarantee of seventy odd years of manufacture and millions of dollars invested in plant and laboratory.



Taylor Instrument Companies
ROCHESTER, N. Y., U. S. A.

CANADIAN PLANT
TYCOS BUILDING
TORONTO

MANUFACTURING DISTRIBUTORS
IN GREAT BRITAIN
SHORT & MASON, LTD., LONDON



THE SIXTH SENSE OF INDUSTRY

Tycos Temperature Instruments
INDICATING · RECORDING · CONTROLLING

Here Are a Few of the Things the Treasury Department is Called Upon to Do:

—fight rum row, supervise farm loans, print liquor permits, draw up certain treaties, enforce antinarcotic laws, guard the President, survey rural sanitation, maintain homes for lepers, etc., and etc.

William P. Helm, Jr., will tell you in the May number of NATION'S BUSINESS what you as a taxpayer are paying for this service.

Turn now to page 26 and read the first of his series of enlightening articles on the multiplying cost of running the Government, "Who Gets the New Tax Billions?"

This Business of Retailing

THE FACT that merchants in some towns with a population range of 1,000 to 5,000 have been able to develop an annual sales volume of hundreds of thousands of dollars gets down to an intelligent use of the power of advertising—in having something worth while to advertise and never letting up on prospects.

At Strasburg, Ohio, with less than 1,000 citizens, the annual business of Garver Brothers amounts to a million dollars. Well named is Winner, South Dakota, a town of 3,000, for the annual turnover of the Outlaw Trading Post is \$850,000. The Lynden Department Store at Lynden, Washington, manages to bring in a gross revenue of \$750,000 a year from a population center of 1,000. At Temple, Oklahoma, population 1,000, the B. & O. Cash Store sells \$735,000 worth of goods a year. Fred P.



Mann's store, selling to the community of 5,000 at Devil's Lake, North Dakota, has a turnover of half a million dollars a year. Fred W. Anderson in a town of 1,300, Cozad, Nebraska, takes in more than \$300,000 a year. Sales of the Schaeffler Mercantile Company at Hillsboro, Kansas, population 1,500, have totaled \$200,000 a year.

There's no secret, nothing mysterious in these sales records, except the everlasting keeping after business. To borrow a text from A. E. Schaeffler of the Hillsboro store,

We claim that advertising is the medium that has put us on our present footing. In advertising we are very strong; we believe it to be absolutely necessary.

The moral of all the examples is that the trade areas of small towns, when properly fertilized with copious applications of printer's ink, are capable of sustaining a phenomenal volume of business.

Gain of 2.1 Per Cent in 1926 Sales

SALES figures obtained by the Controllers' Congress of the National Retail Dry Goods Association from representative department and specialty stores throughout the country show a gain of 2.1 per cent for 1926 over 1925. The aggregate sales of the stores included in this investigation amounted to \$600,000,000.

Sixty per cent of the stores reporting showed increases, and 40 per cent less sales volume in 1926 than in 1925. The consensus of the owners' opinions indicated that conditions at the beginning of the year would prompt unusually conservative retail operations for at least the first six months of 1927. Stringent control of in-



Because somebody bought "Caterpillars"!

THE LAYING of 93 miles of this water main was not interrupted by mud and soft roads—the "Caterpillar" was on the job!

It walked right along through the mud! "Caterpillar" track-type tractors eagerly tackle the heavy hauling and hard chores around factories—they save money in many different ways for Public Service Corporations.

Prices

2-TON ... \$1850
Peoria, Illinois

THIRTY . \$3000
Peoria or San Leandro

SIXTY ... \$5000
Peoria or San Leandro

How can you use a "Caterpillar"?

Better - Quicker
Cheaper

CATERPILLAR TRACTOR CO.

Executive Offices: San Leandro, California, U. S. A.

Sales Offices and Factories:

Peoria, Illinois San Leandro, California

Distributing Warehouses: Albany, N. Y.

New York Office: 50 Church Street

Successor to

BEST C. L. Best The Holt Manufac- HOLT
Tractor Co. turing Company

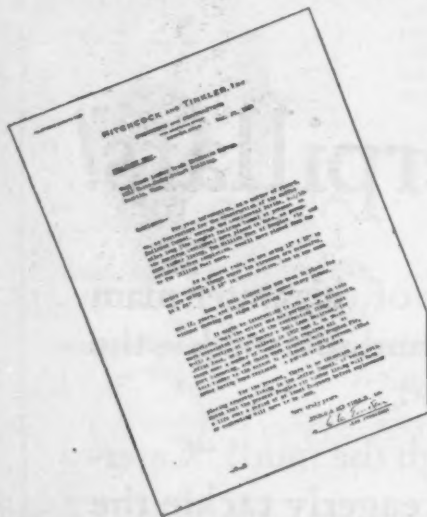
CATERPILLAR
REG. U.S. PAT. OFF.

When writing to CATERPILLAR TRACTOR CO. please mention Nation's Business

Durable Douglas Fir in the Moffat Tunnel



Here is a view of the permanent Douglas Fir lining in the Moffat Tunnel of the Denver and Salt Lake Railroad. The photograph was taken 3 1/4 miles from the west portal and this portion of the tunnel has 1,500 feet of rock above it. The timbers are 12"x18".



PRESIDENT COOLIDGE pressed the button which fired the last blast in what is so far the longest tunnel in the United States—6.4 miles—and which will shorten the transcontinental route by 175 miles.

Douglas Fir not only made the Moffat Tunnel possible, but also makes many other engineering projects possible because of its strength, durability, stiffness and the large sizes and long lengths in which it is obtainable.

Technical data on the engineering uses of Douglas Fir will be gladly furnished on request. Address, West Coast Lumber Bureau, 5562 Stuart Building, Seattle, Washington.

Durable Douglas Fir
America's Permanent Lumber Supply

Important West Coast Woods—Douglas Fir - West Coast (Sisal) Spruce - West Coast Hemlock - Western Red Cedar

ventories, buying for immediate needs only, greater effort to reduce operating expense and more intensive selling effort are the policies prescribed to keep retail business going at the momentum attained in 1926.

The returns are believed by the Controllers' Congress to present a dependable picture of retail stores of all sizes. For this survey, the country was divided into nine districts, and most districts into three classifications—leading stores in small cities and towns, small stores in large cities, and large stores in large cities. An impressive feature of the returns is the small variation between the three classifications and between districts.

Each store reporting to the congress gave the names of six representative departments showing the largest increases and six showing the largest decreases. From this information, the following departments stand out as those most often showing considerable increases: Toilet goods, jewelry, leather goods, gloves, hosiery, silk underwear, negligees and house dresses, women's dresses, misses' and juniors' wear, infants' wear, furs, shoes, and men's furnishings.

The following ten departments most often showed substantial losses in sales volume for the year 1926: Silks and velvets, woolen dress goods, domestic wash goods, laces and trimmings, ribbons, blouses, corsets, women's skirts, women's suits, men's clothing.

Farm Family Spends \$1,598 a Year

EXPENDITURES of farm families, as revealed in a survey by the United States Department of Agriculture, provide stores in rural communities with an informative measure of sales possibilities. Living expenses of 2,886 families in selected localities of eleven states averaged \$1,598 a year. Of the total expense, the department explains, the average family spends \$659 for food, \$235 for clothing, \$200 for house rent, \$40 for furniture and equipment, \$213 for operating expenses, \$61 for maintenance and health, \$41 for life and health insurance, \$105 for "advancement," \$41 for personal goods, and \$3 for unclassified goods. More than two-fifths of the \$1,598 worth of goods used per family, or \$684 worth, was supplied by the farm, the survey showed.

Average expenses for the states included were as follows: New Hampshire, \$1,839; Vermont, \$1,553; Massachusetts, \$1,948; Connecticut, \$1,559; Kentucky, \$1,493; South Carolina, \$1,482; Alabama, \$1,615; Missouri, \$1,897; Kansas, \$1,492; Iowa, \$1,669; and Ohio, \$1,541.

The figures are based on a field investigation which began in 1922 and ended in 1924. Full details are included in Department Bulletin 1466-D, "The Farmers' Standard of Living." Copies are obtainable from the Department of Agriculture, Washington, D. C.

Meat Trade Advised on Methods

NEEED FOR improvements in retail meat marketing, including better business methods in operating stores, the use of adequate equipment and refrigeration, a reduction in labor turnover, and the education of consumers to a knowledge of grades of meats, are urged by the Department of Agriculture, after a survey of the retail

meat business in twenty cities throughout the United States.

Fifty per cent of the nearly 4,500 housewives interviewed declared, the department reports, that their dealers handled either the best or a very good quality of meat, when as a matter of fact only approximately 9 per cent of the cattle slaughtered were probably of these qualities, the department says.

There are signs, says the department, of an increased interest among consumers in learning about cuts and qualities, and it is to the ultimate interest of the meat industry that retailers take an active part in helping customers to know what constitutes quality in meat.

The portion of the retail price of meat absorbed by retail agencies is reported to average from 22 to 25 per cent. Yet, almost 27 per cent of 142 individual retail meat markets of all types of stores and volumes of business were found to be operated at a loss, when wages for proprietors were included in total expenses. Losses



were incurred in 10 of 13 stores studied in detail, where annual sales were less than \$14,000. In such small-size stores, the department found, the total amounts returned to the proprietors were not equal to the wages usually paid meat cutters.

Sixty-two per cent of the housewives in the American white group indicated that steaks and chops were bought because of their palatability, 40 per cent gave palatability as the reason for buying roasts, and 29.4 per cent assigned that reason for the use of boiling meat. Economy was the chief reason for preferring roasts and boiling meat to steaks and chops. Meat was served in the households of the American white group an average of 2.1 times per week at breakfast and lunch, and 5.6 times per week at dinner.

Detailed results of the survey have been printed in three department bulletins, copies of which are obtainable from the Department of Agriculture, Washington, D. C. The titles are: Department Bulletin 1441-D, "Methods and Practices of Retailing Meat"; Department Bulletin 1442-D, "Margins, Expenses, and Profits in Retailing Meat"; and Department Bulletin 1443-D, "Consumer Habits and Preferences in the Purchase and Consumption of Meat."

Production Ruled by Retail Stocks

NO REVERENCE to the theory of everlasting emphasis on mass production is done by Paul M. Mazur in his book, "Principles of Organization Applied to Modern Retailing," published by Harper & Brothers.

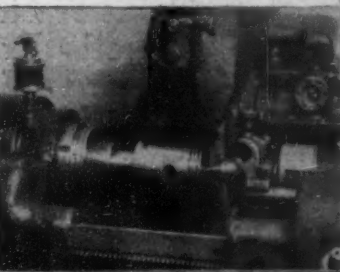
Neither does he have any sympathy with those who indict distribution—the process of getting the product to the ultimate con-

NORTON COMPANY
WORCESTER, MASS.
Presents
**"SPEED
IN
TRANSPORTATION"**

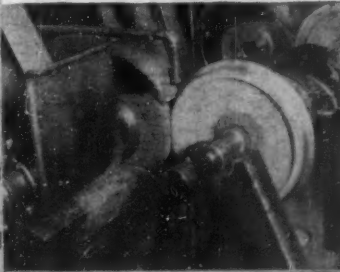


Accuracy makes high speed possible. GRINDING makes possible accuracy -with rapid production- of the many vital parts of these great engines of commerce.

Among the hundreds of automotive parts being finished by GRINDING are: crankshafts, camshafts, pistons, piston pins, gears and rear-end housings.



The great railroad systems, too, benefit from GRINDING—piston rods, pistons, link bars, air brake parts, manganese steel frogs and switches—and car wheels.



NORTON

Grinding Wheels
Grinding Machines



Refractories—Floor
and Stair Tiles

METAL PRINT CRAFT

IF you use Metal Signs-Name Plates-Number Plates-Badges-Checks-Emblems-Ornaments-Tablets-Tags-Fobs-Dials-Panels-Display Stands-Coins or Novelties, either Etched-Printed-Lithographed-Engraved-Embossed-Cast-Stamped-French Enameled-Porcelain Enameled-or Celluloid Facing with Metal Back, Grammes Metal Print Craftsmen can serve you in an artistic, economical and efficient manner.

By this mark
you will know
Metal Print Craft



Ask for "The Story of Metal Print Craft"

L. F. Grammes & Sons
INCORPORATED
Allentown, Pa.

NEW YORK

PHILADELPHIA

CHICAGO

The New Business Era

Today's problems of business, big and small, will be discussed from every angle when 3,000 business leaders meet in May at the U. S. Chamber of Commerce in Washington.

An accurate, vivid story of these discussions will be contained in the EXTRA EDITION of NATION'S BUSINESS, out June 6. NATION'S BUSINESS subscribers will receive one copy of this *Extra Edition* free.

Additional copies may be ordered now at actual cost, 10 cents each postpaid.

NATION'S BUSINESS
Washington, D. C.

When writing to L. F. GRAMMES & SONS please mention *Nation's Business*

sumer. Manufacturers, he declares, can learn a great deal from the progressive retailer regarding the anticipation of sales possibilities, and the control of inventories.

From his study of retail merchandising, Mr. Mazur concludes that the stability and low mortality of retail institutions are not accidents, but the results of inherent strength; that the present hand-to-mouth buying plans are not passing phases, but the results of inspired methods; and that the manufacturer must accept these conditions as permanent features of business procedure, for—

America is not going to be Fordized—if by Fordizing we mean the maintenance of manufacturing activity on an ever-increasing production schedule. American industry and commerce will make what can be consumed without the necessity of high pressure sales and low point profits to liquidate the inventory results of constant peak production. Low-cost production means nothing if the high-cost distribution necessary for the disposal of that production cancels the advantage of manufacturing huge quantities of standardized products.

The danger of inventory accumulation was seen in the business conditions of 1919 and 1920. American industry apparently has appreciated the wisdom of small stocks and rapid turnover. Mass production has rendered a great service to the American purchaser. But the establishment of mass production as an idol, to which there must be sacrificed the recognition of a variation in consumption demands, is bound to create industrial depressions. The planning of manufacturing schedules upon the basis of well-judged possibilities for sales, corresponds to the merchant's determination of stocks upon the basis of his power to turn those stocks into cash at a profit; both can be called merchandising; and merchandising is an essential element in economic stability and in the continuity of industrial prosperity.

The book considers the procedures, and the division of authority and responsibility, essential to the successful operation of a departmentalized retail store. Publication is sponsored by the National Retail Dry Goods Association through its committee for the study of the fundamentals of retail organization.

Words May Be Shopworn, Too

THERE'S no novelty in saying that words and phrases can become as shopworn as goods too long on the shelf. More refreshing is the attempt of a Gary merchant to learn the distinction between statements that read alike but have a totally different meaning in fact. In an advertisement, addressed to the publisher of a newspaper, he said:

We honestly and sincerely believe that we can and do offer the men and young men of Gary a genuinely superior clothing service, better values, newer styles, finer qualities, and greater varieties. Statements to the same effect can be made and are made by everybody. Is there any instrument greater than the English language by which we may make our message understood and believed?

Because that advertisement comprehends a problem important in all advertising, it is reproduced in "Retail Advertising of Men's and Boys' Wear," by Allen Sinsheimer, editor of the *National Retail Clothier*. In that book, published by Harper & Brothers, the author gives the results of a study of

two thousand clothing advertisements. With few exceptions, that great mass of copy, he found, did not rise above the level of stock words and phrases.

But monotony of expression cannot be defended by pleading poverty of qualities for advertisement. As Mr. Sinsheimer points out, the clothing merchant has a wide range of copy emphasis.

For accent, he may choose appearance, beauty, coolness, correctness, credit, durability, fabrics, fashion, fit, holidays, patterns, pride, quality, seasons, style, success, tailoring, timeliness, value, and price—just to give a few suggestions.

A tabloid sermon on the importance of using the right word in advertising copy is presented in these two paragraphs:

Each word is important. One word can make or break the selling power of a sentence, a phrase, a headline. The utmost importance of each word cannot be overemphasized. The dictionary is free to all. A thesaurus can be purchased at any bookstore, and if the space of an advertisement is worth \$50 or \$500 or \$1,000 it should be worth the price of a dictionary or a thesaurus, and the effort and time involved in finding the proper words.

The merchant who heeds that counsel is not likely to add to the horrible examples cited by Mr. Sinsheimer, who found that one thousand of the two thousand advertisements described the goods offered as "astonishing," "celebrated," "distinctive," "enormous," "extraordinary," "greatest," "immense," "incomparable," "matchless," "phenomenal," "sensational," "snappiest," "spectacular," "striking," "wonderful."

The Mountain Moves to the Customer

WITH THE number of gasoline filling stations continually increasing, there is reasonable wonder whether this diffusion of sales efforts has got beyond profitable competition. An opinion to inform judgment is offered by L. V. Nicholas, president of the National Petroleum Marketers' Association, who reminded members of the oil industry that the big successes in selling




have been made by men who consolidated sales efforts. Of the expansion of gasoline retailing, he said:

Shoving a service station or a curb pump right under the nose of a customer, attempting to secure business by making it impossible for the buyer to turn around without stepping on us, has not only made the public suspicious of the profits in the oil business but has subordinated salesmanship and intelligent merchandising to a mere question of where is the nearest service station. Very few of us consider the fact that the customer is better equipped to come to us than we are to go to him.

**"It's new
—and a pippin!"**

"And take it from me—this square terminal post means better protection."

 *"See how the chain link netting is fastened to the post! No siree, you can't get it off from the outside. That's a big advantage."*

"No tramp can climb over this fence. There are no bands on the square post to use as a step ladder."

If you intend to purchase a fence it will pay you to obtain complete information regarding the Anchor Fence and this new and important feature of construction. It will also pay you to keep in mind that an Anchor Fence is galvanized throughout and that its intermediate as well as terminal posts are the strongest on the market. Anchor Sales and Erecting Service is nation-wide. A phone call, letter or wire places it at your disposal.

ANCHOR POST FENCE COMPANY
Formerly Anchor Post Iron Works
9 East 38th Street, New York, N. Y.
Branch Offices and Sales Agents in Principal Cities

ANCHOR
CHAIN LINK
Fences

"BUY THE FENCE WITH THE STRONGEST POST"



Vacation Plus New Vision

LET this vacation put you into step with the next great regional development—that of the Pacific Northwest.

A trip to Tacoma offers the most delightful forms of recreation—mountaineering, marine sports, motoring over safe highways amid scenery unrivaled—escape from devitalizing heat into the crisp, cool breezes of mountain and sea; a chance to see such great natural wonders as MT. TACOMA (RAINIER NATIONAL PARK), less than three hours from this city.

It will also enable you to feel the pulse of this new empire—to sense the causes which have wrought it in a single generation from the wilderness and which still make it the land of living opportunity.

You'll see how great natural advantages, a rich hinterland, a famous harbor, abundant hydro-electric resources with the lowest rate in the United States for electric power, a climate that gives far greater efficiency to labor, are combining to insure a great industrial future for Tacoma.

When coming West see the whole Pacific Coast—stop at Spokane, Seattle, Tacoma and Portland—Oakland, San Francisco, Los Angeles and San Diego.

Write for illustrated booklet of helpful suggestions.

TACOMA CHAMBER
OF COMMERCE
1027 A Street
Tacoma, Washington

Tacoma

National Conventions Choose Tacoma
Lumbermen from every state will enjoy
Tacoma's ideal summer climate
at the convention of
THE NATIONAL RETAIL LUMBER
DEALERS' ASSOCIATION
August 22-27, 1927



ONLY the biggest of big business is likely to indulge in conversations at twenty-five dollars a minute, with a three-minute minimum, says the *Manchester Guardian Weekly* in a consideration of the trans-Atlantic telephone service between London and New York, and adds that

free play of talk to which the average telephone user is accustomed is at present mechanically impossible. The affair must proceed by formal question and answer, and the fact that even these will not always be audible is allowed for in the provision which grants a rebate on the call

fee if atmospherics and fading debar a clear interchange. But with all these limits it is a great beginning. There is nothing to prevent a steady progress from it to a day when we shall be able as easily to ring up Prague or Pittsburgh as we now do Preston.



THE TYPICAL NEW YORKER is not a New Yorker at all, he is merely "a worshipper at the shrine of the almighty dollar"—a small town product with a thin coating of sophistication acquired by rubbing elbows with several million other small town products, in the opinion of J. H. McCulloch, who gives "a small town man's impressions of America's largest city" to readers of the *English Review*. He found a great deal of superficial courtesy, and much crude and calculated discourtesy, but that unflattering judgment is qualified with saying that

But Not All
the Citizens
Are Bouncers

Generally speaking, responsible business offices have a pleasant atmosphere of courtesy. This is particularly true of the great newspaper and publishing offices. The obscure journalist looking for a job can see the managing editor of the stately *New York Times* without the slightest difficulty, and, furthermore, will be given a courteous hearing. The same fine dignity and courtesy are characteristic of the executive officers of the great business houses. One can always see the big men of New York; they are always courteous and approachable. To be sure, much of the graciousness is from the teeth out, but even so, it is preferable to boorishness. But in the lower strata of business, crude discourtesy and evasiveness are all too common.

HENRY FORD'S DECLARATIONS that "business depression is caused by weakened purchasing power," and that "the cure of business depression is through purchasing power, and the source of purchasing power is wages" are considerably qualified by Alexander Ramsay in the *English Review* when answering "Would High Wages Cure Unemployment?" Of Mr. Ford's beliefs, and of

The Same Pill
Won't Cure All
Economic Ills

conditions in the United States and in Britain, he writes:

The truth is Mr. Ford makes no such claim as is being foisted on him. It is true that he advocates high wages, but he can only visualize high wages in conjunction with high production and low costs. Herein is the crux of the whole matter.

The parallel between American and British conditions is most misleading unless it is complete, and it cannot be dealt with here. It is clear, however, that amongst other advantages the United States enjoy a very large domestic and protected market. Moreover, it is a market which during many decades has been progressively and automatically increasing. It began with a foundation in its agriculture, which not only fed its own people but enabled the country to absorb and develop a population at an unprecedented rate. With a rising population came improving markets; and with increasing markets, into which outsiders could not enter, a production of specific commodities developed on a basis of immense magnitude. There is no mystery about American repetition methods. In the circumstances, it would have been much more difficult to resist them than to achieve them. But with bulk production came cheap production, and cheap bulk production pouring into an insatiable market is the foundation of high wages.

The generalization that high wages will ensure prosperity is a mere empty shibboleth. It is putting the cart before the horse. Trade (upon which prosperity depends) is governed by a multitude of conditions, and only when they have been met, and the interchange of goods freely expedited, can the worker receive in wages



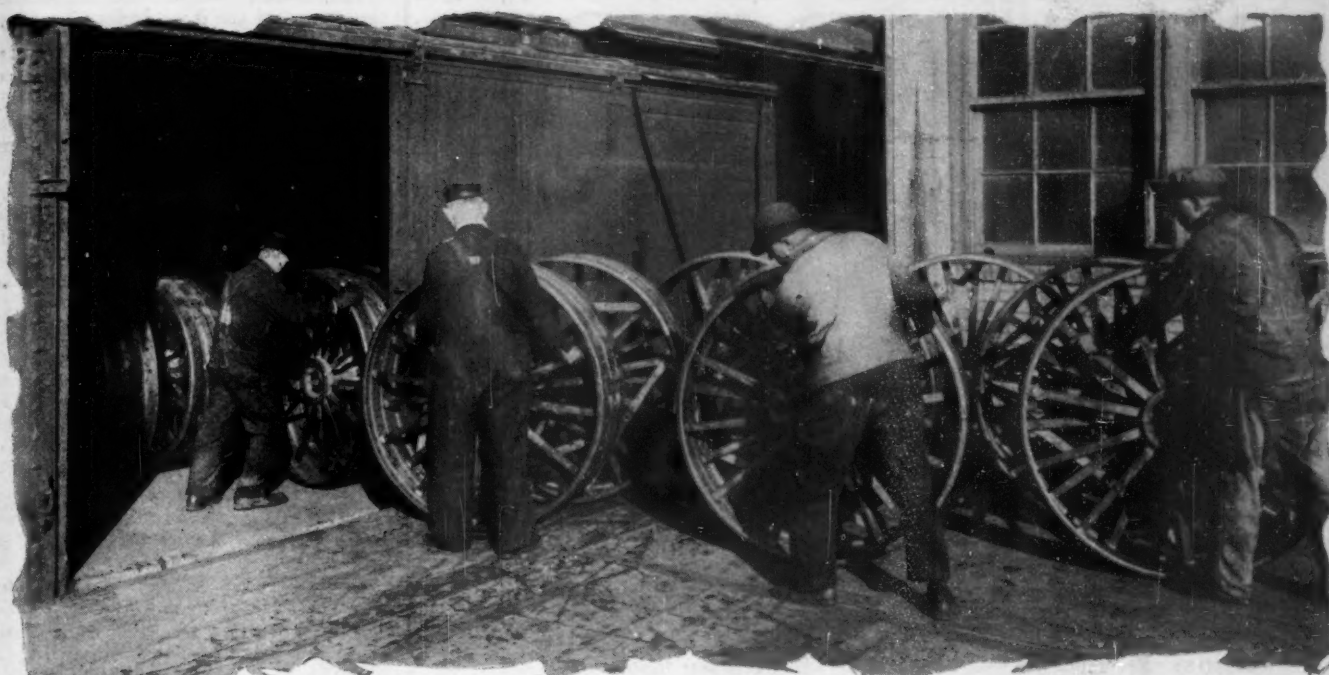
a return commensurate with the efficiency of his industry and the effort he displays. Large production, cheap production, and markets available for all that is produced, make high wages possible. But to increase wages in Britain by, say, 40s. per week per man, without satisfying this formula, would be to impel industrial bankruptcy and social chaos.

BRITAIN'S UNHAPPY EXPERIENCE with Imperialism gives the *London Spectator* no cause for applauding the indications of the foreign policy of the United

We Can Watch
Our Step, But
Don't Shove Us

States in Central America, for "the United States are finding out, as we found out long ago, how slippery is the slope of Imperialism—a slope on which the very best intentions prove of little or no avail, and where the force of circumstances is always in charge."

It may be that "it is only the first step that counts," and that "after that there is a kind of inevitability about imperial expansion which is positively uncanny." This fatal-



20,000 Steel Wheels A Day



The important features that distinguish the superior construction of French & Hecht Steel Wheels are:

Trussed spoke construction.

Each spoke is heated and forged in the hub with the end headed on the inside and a shoulder formed on the outside—similar to a boiler rivet.

The spoke is secured to the rim with a head riveted on the outside and a shoulder forged on the inside.

These are exclusively French & Hecht refinements.

This is the Age of Machines. On all machines where work depends on ground motion, wheels are an essential factor. The more efficient the machine, the more exacting become its wheel requirements.

French & Hecht have solved the wheel problem for over 6,000 different machines. Since 1888 this institution has specialized in the design and manufacture of steel wheels of all kinds—for Farm Implements, Industrial Tractors, Road Machinery, Trucks, Trailers and other equipment.

The vast experience and facilities of this organization enable it to solve any wheel problem—producing a mechanically superior wheel—especially adapted to any machine—at a lower cost than is possible in the average factory producing the machine itself.

Special wheel service is available to manufacturers, and users of wheels.—Write.

FRENCH & HECHT

Wheel Builders Since 1888

DAVENPORT, IOWA

SPRINGFIELD, OHIO

FRENCH & HECHT

STEEL WHEELS

MALOLO

[flying fish] queen of the famous fleet
that serves hawaii



ACROSS the "fenceless meadows of the sea" the graceful MALOLO will draw a foaming white trail that brings Hawaii thirty-six hours nearer. Now it is only four and one-half days from San Francisco's Golden Gate to the loveliest spot on earth!

This marvelous record will be established by the great MALOLO—the largest high-powered and swiftest steamship ever built in the United States. In length, 582 feet; width, 83 feet, which permits spacious public rooms and wide promenade decks. A giant yacht with accommodations for only first-class passengers—650 of them! Every refinement possible adds to the comfort and luxury of travel. The table is laden with



A stateroom on the MALOLO

delicious fresh produce of tropic climes and sunny California.

The MALOLO, making her maiden voyage in June, is but one of a famous fleet of nine ships whose history and service are closely identified with Hawaii and the South Seas. *Maui, Matsonia, Manoa, Wilhelmina, Lurline, Sierra, Sonoma and Ventura.* They have taken thousands out upon the path of dreams come true.

Seven sailings every month from San Francisco—the shortest route. Regular sailings from Seattle. Wonderful all-expense tours, \$270, up.

Send the coupon to our nearest office, or ask any tourist agency for complete particulars.

Matson line
THE SHIPS THAT SERVE
hawaii



MAIL THIS COUPON TO OUR NEAREST OFFICE

Matson Navigation Co., Please send illustrated literature on a trip to Hawaii. Here is 4c in stamps to cover mailing literature especially prepared for use in schools.

Check here ☐
Check here ☐

Name

Address

11A

215 Market St.
San Francisco

50 E. 42nd St.
New York

140 So. Dearborn St.
Chicago

510 W. Sixth St.
Los Angeles

1319 Fourth Ave.
Seattle

Retailers Can Meet the New Competition

by putting to use some of the suggestions offered in the following four pamphlets prepared by the Domestic Distribution Department of the United States Chamber of Commerce:

1. Group Efforts by Merchants for Promoting Trade.
2. Merchants' Institutes.
3. Educational Courses for Retail Sales People.
4. Special Sales Events.

The price is 15 cents for Number 1, and 10 cents for each of the others—or 40 cents for the set.

Department of Domestic Distribution

U. S. CHAMBER OF COMMERCE

Washington, D. C.

istic progress, it seems, may begin with blundering from trade into empire, as shown by the course of the East India Company, for

when once you get into somebody else's country and try to limit your commitments, you are pretty sure to be asked by "the local power," whether he is an Indian rajah, or a usurper, or the president of a Central American republic threatened by a rival, to make a treaty of protection with him under which you, in exchange for what look like very harmless rights and benefits, will undertake to support him against the evilly disposed persons who are trying to undermine his authority.

It is NOT ONLY in England that the blacksmith, the saddler, and the wainwright are disappearing craftsmen, says the *Manchester Guardian Weekly*, for

Some of Us Get a Kick From a Hobby "the advent of the motor has brought hard times and even ruin to various professions and occupations in North America." As the *Guardian* tells it,

One veterinary surgeon who used to make a very large income out of fashionable clients recently reported to a friend that his practice had been reduced to a third of its former size, and in many larger towns there is not enough business to give a single "vet" a living. Again, according to statistics of the Department of Trade and Commerce at Washington, the manufacture of horsewhips has actually declined by 60 per cent since 1923, and threatens to disappear altogether. From its decay collateral trades have also suffered greatly. In the days when men drove horses no American gallant who invited a fair friend for a drive would have thought his equipage complete unless he had a silken bow tied to his horsewhip. But who ties a favor to a motor car?

THE DECLARATION OF William Randolph Hearst in favor of an Anglo-American arrangement for common defense and for keeping the peace of the

Ireland Could Supply Coppers To the World world is an extremely interesting document, the *Spectator* believes—it is "almost a portent in fact,

for hitherto Mr. Hearst has been known as one of the most unrelenting enemies of the British Empire." Mr. Hearst's scheme, as the *Spectator* sees it, implies that the United States, Great Britain, Ireland, Canada, Australia, New Zealand and South Africa would cooperate to keep the peace among themselves, and so far as possible keep it throughout the world.

The statement of Mr. Hearst's position, which was contained in a message to the editors of all the newspapers he controls, is "a curious example of the gramophone press at work," for "he provides a new record" and "soon a new tune will be proceeding from the offices of all his newspapers." Of the consequences to be expected from application of the proposed "arrangement," the *Spectator* says,

The principal danger, which almost certainly has not occurred to Mr. Hearst at all, is that the members of the League who do not belong to the British Empire would see in an Anglo-American defensive and peace-imposing compact a positive, almost an insulting bid by the English-speaking peoples to rule the world. The State Department at Washington has lately been talking about a Mexican hegemony of Central America. That is a very thin phantom, indeed, compared with the phantom Continental Europe would find in Mr.

Eight important points for management to consider

Contained in a letter from Oscar Grothe,
Vice-president of the White Sewing Machine Company,
of Cleveland, Ohio

"PRODUCTION (after installation of the Bedaux System) was increased approximately 30% per man hour for the entire plant. There was a payroll saving of approximately 20% to the company, and an increase in earnings to the operator of about 10%.

"We started operating our Sewing Machine Plant along the beginning of 1919 under the Bedaux Plan and have continued ever since. It gives us a very accurate measure of the accomplishments of each individual, each department and the plant as a whole; reducing all human endeavor to a common denominator. This plan creates an incentive to operators and also to supervision, set-up men, truckers, etc., and brings about a good spirit of co-operation.

"The same information for use in payrolls is used for the purpose of anticipating costs as well as determining costs. It makes available information for planning and scheduling the work through the plant, gives the management a definite picture at all times of the accomplishments throughout the institution, making it possible for the management to spend the major portion of their time in correcting faults and leaks instead of, as in most cases, spending their time in looking for them."

These are a few of the points of advantage of the Bedaux Principle of Human Power Measurement. Detailed information may be obtained from any of the offices listed below without obligation.

The Chas. E. Bedaux Companies

OF NEW YORK

17 Battery Place, New York City
DOUGLAS S. KEOGH, President



OF ILLINOIS

435 North Michigan Ave., Chicago, Ill.
ALBERT RAMOND, President

OF PACIFIC STATES

Pacific Building, Portland, Oregon
CHARLES W. ENGLISH, President



CHAS. E. BEDAUX, LTD.

Bush House, Aldwych, London, W. C. 2, England SIR FRANCIS ROSE PRICE, Bart., President

TERRA COTTA

For Clean Buildings



Cleaning the exterior of
The Arctic Club, Seattle, Wash.
A. Warren Gould, Architect

TERRA COTTA buildings are the easiest to clean. Their original beauty can be restored at any time by a simple washing. This is a big factor in upholding the sale or rental value of city property. Clean buildings do not suggest obsolescence.

NATIONAL TERRA COTTA SOCIETY
19 West 44th Street New York, N. Y.

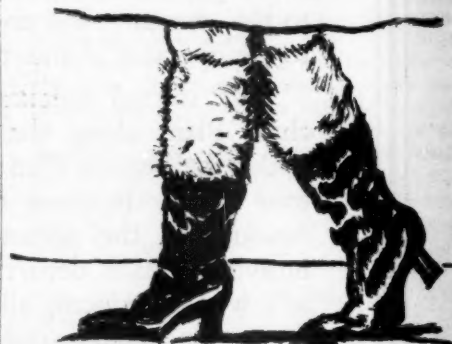
(On behalf of the Terra Cotta Industry in the United States)

Hearst's proposal. It would be said that after all, Great Britain had preferred the Balance of Power to the League.

All the same, we are grateful to Mr. Hearst for his change of mind. His newspapers are powerful organs in America, and now that they will be singing a new tune we may expect a swelling of the chorus in favor of Anglo-American friendship. For although it is necessary to do things prudently and not in a manner that seems to offer aggression in the name of peace, we heartily believe with Mr. Hearst that co-operation between the United States and the British Empire might become by far the most important influence for good in the world. Indeed, British foreign policy cannot possibly have a higher purpose than to make this cooperation a reality.

WOMEN IN NEW YORK and Boston have a different view of the use of the Russian boot to their sisters in England, the *Manchester Guardian Commercial*

Only Men Choose To Die With Their Boots On explains, for in London, Manchester, and other English cities and towns the boot is worn by the business woman. On the other side it is mainly the ultra-smart and well-to-do of the feminine set who wear the Russian boot to and from dinners, theaters and dances. Naturally, for such



functions the styles are high-grade and rather expensive, the most favored of the moment being black patent feet, to represent a smart shoe, then gold kid leg, surmounted by a black patent flowered or ornamental top, to remove the illusion that the lady is wearing a patent shoe with bright stockings.

TO THE LONDON CORRESPONDENT of the *Manchester Guardian Commercial*, secrecy and dispatch seem the present obstacles to trans-Atlantic telephony, because the calls "involve a certain delay, and we know, of course, that expert wireless folk can 'listen in' with little effort." A London banker with whom he talked thought that

the new facility will be invaluable but expensive, and most business men cannot afford to await calls—

and a stockbroker told him that

he waited for a New York call quite an hour on Monday and exchanged eight cables in the interim. When his telephone bell finally sounded it was the Post Office operator who wanted him with the message that his call from New York was cancelled.

From all the correspondent heard in London,

the cable companies will still be laying cables for some time to come.—R. C. W.

Government Aids to Business

Reports of government tests, investigations and researches included in this department are available (for purchase or free distribution) only when a definite statement to that effect is made. When publications are obtainable the title or serial number, the source, and the purchase price are included in the item. We will be glad to furnish them to our readers at the price the Government charges.

PARA CYMNE, an oil obtained as a by-product in making paper pulp from wood, is utilized in making an effective paint and

Find New Way to Make Paint and Varnish Remover

varnish remover by a process discovered and patented by Dr. Max Phillips and M. J. Goss, chemists of the Color

Laboratory, Bureau of Chemistry, Department of Agriculture.

During the last few years the department's chemists have worked out processes for the utilization of such wastes as straw, rice hulls, peanut shells and corncobs, as well as for the most profitable utilization of various cull fruits and vegetables.

The oil from which the new paint and varnish remover is made was, until recently, almost wholly an economic waste. It has been estimated that from 750,000 to 2,000,000 gallons of this material are annually produced in the sulphite pulp mills of this country. The paint and varnish remover is prepared by mixing para cymne with grain alcohol, wood alcohol and acetone, in equal parts by volume.

This new paint and varnish remover has been patented by Messrs. Phillips and Goss and dedicated to the people of the United States, thus making it possible for anyone in the United States to make or use the new remover without payment of any royalties to the inventors.

TEN PER CENT of the northeastern forests is so heavily blanketed with slash after the spruce and fir have been cut out for pulp-

Burning Slash Encourages Pulp Wood Growth

wood that seedlings of the new forest cannot grow, says the Forest Service of the Department of Agriculture, which points to the necessity of destroying the debris of limbs and tops of trees from logging operations by burning at safe seasons.

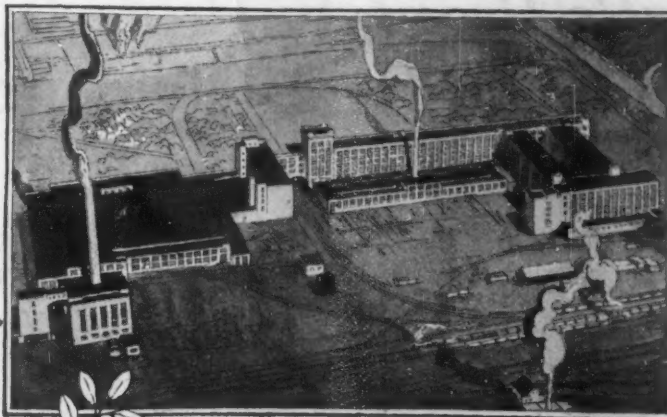
Burning slash on pulpwood operations must, however, be so conducted as to avoid the serious harm that may follow a broadcast burn. The Forest Service approves of winter burning of slash as logging proceeds as the safest method. A fire may be started and fed with slash from the trees cut nearby, new fires started as the cutting moves on. Thus, fire damage to seedlings, young growth, and unmerchantable trees is held at a minimum, as the area actually burned is negligible and there is rarely danger of fire spreading in the winter.

THE NATIONAL COMMITTEE on Wood Utilization, Department of Commerce, is undertaking a national survey of non-utilized wood

Non-utilized Wood Resources To Be Surveyed

now considered as by-products of sawmills, box factories, and other wood working establishments, with the idea of compiling this information in map form for convenient reference.

This survey will be conducted by states, of which Virginia will be the first. The survey will be another step in the complete utilization of forest resources which is the ultimate aim of the committee's work. The



The Kearny Works of Western Electric



Will business follow biology?

CUT a shoot from your hedge, plant it and it will take root and flourish.

Some careful observers think that a similar phenomenon is taking place in American industry, and for example they point to recent interesting developments in the Western Electric Company.

Is there an economic limit to the size of a manufacturing plant? For answer Western Electric, operating in Chicago its Hawthorne Works—the world's largest telephone factory—has in the making another great plant in New Jersey.

Has the multiplication of functions gone too far? For answer Western Electric has recently disposed of its foreign manufacturing business and has set up its domestic department for the sale of electrical supplies as a separate organization—the Graybar Electric Company.

These steps were taken in the interest of greater operating efficiency so that Western Electric by concentrating on the function of manufacturing telephone apparatus, could best render its service to the Bell System.

The results which have followed all of these organic changes constitute striking evidence of their economic soundness.

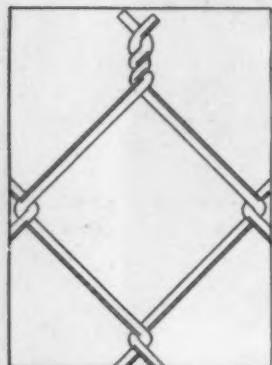
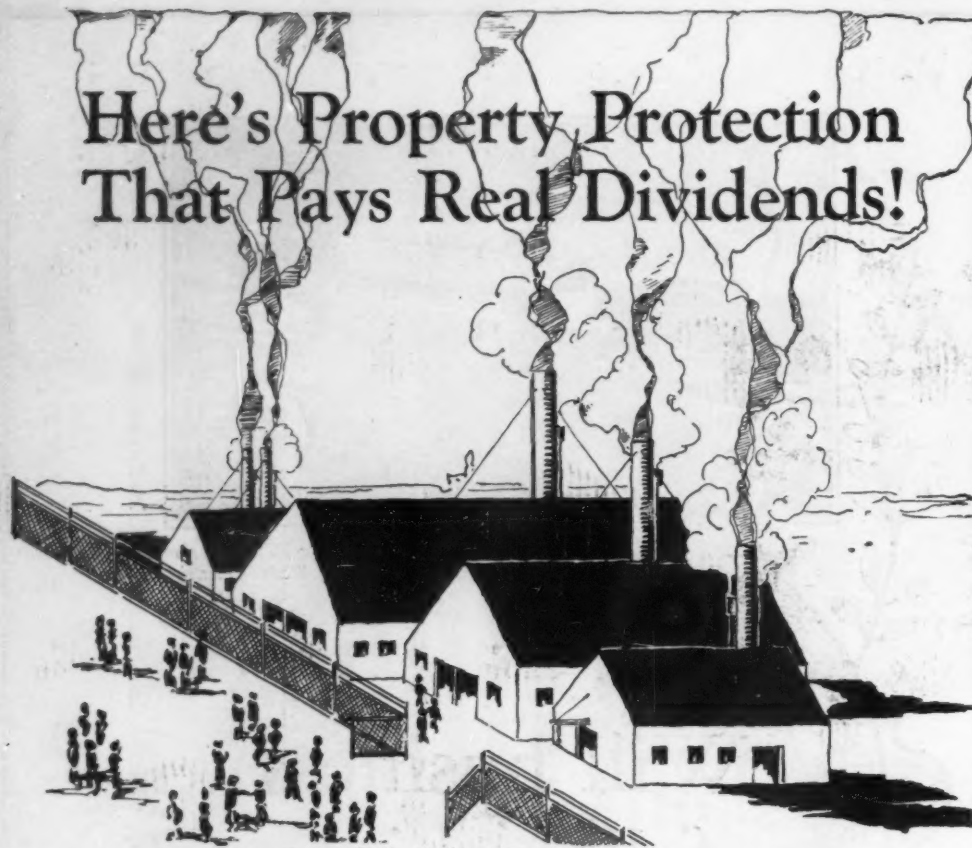


No. 2 of a series

Western Electric

SINCE 1882 MANUFACTURERS FOR THE BELL SYSTEM

Here's Property Protection That Pays Real Dividends!



American Chain Link Fence is woven from copper-bearing steel wire into practically an unbreakable fabric. It is galvanized after weaving to insure lasting strength.

THERE is no more dependable nor more profitable protection for business property than American Chain Link Fence. Its sturdy, chain-link steel fabric definitely checks losses from malicious trespass. It adds that necessary orderliness and controlled appearance so essential to modern plant management.

And once your property is enclosed with American Chain Link Fence, the cost of this efficient protection practically ends. There is very little maintenance expense afterward.

Before you invest in further property protection, investigate the unusual advantages of American Chain Link Fence. Learn from us or our nearest representatives the combined advantages in strength, appearance, permanence and economy that this remarkable fabric offers.

AMERICAN WIRE FENCE COMPANY
7 South Dearborn Street, Chicago, Ill.
Factory: Libertyville, Ill.

AMERICAN

CHAIN LINK

Manufacturers of Superior Wire Fence for over 25 years

chief difficulty at the present time is that by-products industries have not always been able to locate the proper raw materials in sufficient quantities to justify the establishment of such industries in connection with major forest products. The survey, it is felt, will undoubtedly aid in the building up of properly coordinated forest industries such as sawmills, pulp and paper mills, wood chemical plants, and many others.

SEVENTY-NINE PER CENT of the dealers in 19 different lines of business adhere to the Simplified Practice recommendations. In other words, four-fifths of the production in these lines was in accordance with the sizes, dimensions, etc., in the simplification programs adopted through joint conferences of representative manufacturers, distributors, and consumers concerned. The details are as follows:

	Adherence, per cent.
Beds, mattresses, and springs.....	51
Sand-lime brick.....	62
Hospital beds.....	69
Asphalt (grades).....	74
Paving bricks.....	74
Face brick.....	74
Milk bottles and caps.....	75
Lumber.....	80
Shotgun shells.....	81
Hollow building tile.....	84
Sheet steel (jobbers).....	53
Brass sink traps.....	75
Hot-water storage tanks.....	82
Steel barrels and drums.....	84
Steel reinforcing bars.....	85
Woven wire fence.....	97
Eaves trough and conductor pipe.....	97
Metal lath.....	99
Range boilers.....	99
Average.....	79

These figures are taken from the resurveys made by the standing committees responsible for the success of the simplification programs in their respective industries. In nearly every case the resurvey covered 80 per cent or more of the output of the entire industry.

This degree of support accorded simplified practice demonstrates that the firms cooperating have found it pays. In each industry before simplification it was thought necessary to have a multiplicity of sizes, grades, etc., but it is not, as the volume of business subsequent to the adoption of the recommendations shows.

THE U. S. FOREST PRODUCTS LABORATORY'S regular spring short courses in the gluing of wood, kiln drying of lumber, and boxing and crating will start April 4, April 11, and April 18, respectively. The gluing and the boxing and crating courses are of a week's duration, but the course in the kiln drying of lumber will run from April 11 until April 23.

The practical aim of the glue course is to show glue-room executives how to eliminate defects caused by faulty gluing operations on furniture and other glued-up articles.

The kiln-drying course is intended to impart a knowledge of wood properties and fundamental drying principles that will enable dry-kiln operators to dry lumber with the minimum of degrade and in as short a time as possible.

The boxing and crating course is given for the benefit of shippers and manufacturers who are interested in finding types of ship-

April, 1927

NATION'S BUSINESS

127

Why prolong America's Reign of Terror by handling payroll cash on your premises?



Over half of the payroll robberies occur within the plant

THE money has been safely brought from the bank. The paymaster and his assistants are putting it in the envelopes. Suddenly the air vibrates with snarling commands followed by pistol reports. One or more faithful employees are crumpled by unerring shots. Then, in the smoke and confusion the bandits—murderers as well as robbers, make their escape.

Such is the deadly, daily work of one of the greatest criminal organizations in the world. An organization that plans its attack for months before it strikes . . . whose desperate and treacherous members operate everywhere.

When you consider how often armed guards inside a building have been shot down by these gunmen, how can you hesitate to put an end to this reign of terror, in your own business? How can you keep on subjecting your employees and your money to such needless danger? Especially, when there is a sure way to avoid it.

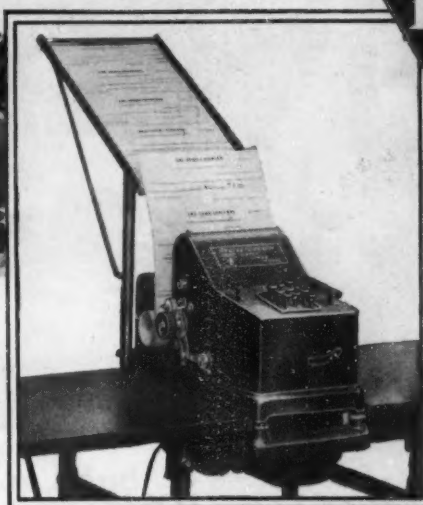
The Todd pay-by-check method is swift and economical

Today more and more firms are paying

by check, using Todd Protectographs and Todd Greenbac Checks, and thereby thwarting the payroll bandits. For the money is in the bank while the checks are written and they can be distributed in *safety* while the employees are at work.

The new Todd Super-Speed Protectograph can be operated by one person at the rate of 1200 checks an hour. The amount line is shredded into the very fiber of the paper in indelible ink of two colors. It is easy to read and there is no chance for disputes over the amount.

Let a Todd expert demonstrate this wonderful machine and its exceptional features to you. If you write but few checks, he will show you a Protectograph to suit your needs, also Todd Greenbac Checks and their patented self-canceling features . . . the moment the forger's acid is applied "VOID" appears. He will explain how Todd users qualify for reduced rates on Standard Forgery Bonds.



Todd

Trade-mark

New!

The Super-Speed is made in hand and electric operated models. Operates like an adding machine. The fastest check-writing machine made—1200 to 1500 checks an hour. Takes checks singly or in sheets. Repays any amount automatically. Can be cleared instantly for corrections. Prints in two colors. Sturdy, all-metal stand aids in efficiency and speed of machine.

Every executive should know about this complete Todd System of Check Protection as applied to payroll problems. Send coupon below attached to your letterhead and receive our handbook, "Modern Payroll Practice." It will open your eyes to the safety and economy of paying by check. The Todd Company, Protectograph Division. (Est. 1899.) *Sole makers of the Protectograph, Super-Safety Checks and Todd Greenbac Checks.*

© 1926, The Todd Company

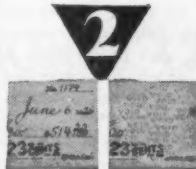
THE TODD COMPANY 4-27
Protectograph Division
1130 University Ave., Rochester, N. Y.
Gentlemen: Please send me a copy of
"Modern Payroll Practice."

Name _____
Business _____
Address _____

TODD SYSTEM OF CHECK PROTECTION



1
The Protectograph eliminates a large percentage of all check frauds by preventing raised amounts. The Protectograph is made in a variety of standard models, one for every type of business, priced from \$37.50 up. Only Todd can make a Protectograph.



2
Todd Greenbac Checks, with their patented self-canceling features, eliminate another major source of possible check losses by preventing change of payee's name, date and number and "counterfeiting." Superbly printed or lithographed, they are made only to order, never sold in blank.



3
Standard Forgery Bonds cover the remaining check-fraud possibilities, namely, forgery of signature and forgery of endorsement. Qualified Todd users receive policies at the most advantageous discounts from the Metropolitan Casualty Insurance Company, New York City.



— for quicker action

A network of over 11,000 miles of private wire connecting National City offices in fifty leading cities keeps bond investors everywhere in almost instant touch with the great investment centers. When you wish to buy bonds, obtain market quotations or other investment information, just call our office nearest you. Our representatives are equipped to give you quick, dependable service. Ask for our Monthly Bond Circular.

The National City Company

National City Bank Building, New York

CAREFULLY SELECTED BONDS OF FOREIGN AND DOMESTIC GOVERNMENTS, STATES, MUNICIPALITIES, RAILROADS, PUBLIC UTILITIES AND INDUSTRIAL CORPORATIONS.



Inventions

How to protect your interest in machines, processes, trade-marks, in fact industrial property of every sort. How to eliminate expensive investigations, prevent competitors from stealing designs, prove invention contentions, and many other facts important to every manufacturer or inventor, are disclosed in

"HOW TO KEEP INVENTION RECORDS"

By H. A. Toulmin, Jr.
of the firm of Toulmin and Toulmin, attorneys, with offices in Dayton and Washington. Mr. Toulmin is recognized as one of the leading authorities who write today on patent subjects. His book stands alone as a reference work. \$2.00 at leading booksellers or from

D. APPLETON & CO.,
35 West 32nd Street, N.B.-2 New York, N. Y.

INVESTMENTS IN CANADA

We are equipped to make audits and prepare accurate and exhaustive reports for Companies, Firms, and individuals proposing to invest in Canadian enterprises or to extend their activities to this country.

WELCH, CAMPBELL & LAWLESS

Chartered Accountants
Cost and Production Data

CROWN LIFE BLDG. TORONTO, CAN.

ping containers which will give adequate protection to goods in shipment with a minimum of lumber, shipping space, and weight. In this course and in the other two courses an important part of the instruction is the personal consultation with the federal laboratory engineers to which each student is entitled and in which he may submit the problems of his own organization and specimens of the wood product or container he is seeking to improve.

The glue course enrollments will be limited, to 16, enrollments in the kiln-drying course to 18, and in the boxing and crating course to 20. The cooperative fee involved is \$100 each for students in the two shorter courses and \$150 for each man taking the kiln-drying course.

THE UNITED STATES DEPARTMENT OF COMMERCE has issued four bulletins on the Elimination of Waste and Simplified Practice. One bulletin deals with steel

Four Simplified Practice Recommendations deals with asphalt, the third with paint and varnish brushes, and the fourth with wrought-iron and wrought-steel pipe valves and fittings. Each of these revisions of recommendations previously issued has been endorsed by various interested trade associations and individual companies. They are procurable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 5 cents each.

THOUGH WORK HAS BEEN in progress for a generation, the great topographic map of the United States is less than half completed.

Topographic Instructions Issued This fact is explained by the high order of accuracy and refinement that is required. If the map were assembled into one

sheet, it would cover considerably more than an acre of ground. In connection with the work the Interior Department has recently issued "Topographic Instructions of the Geological Survey," Parts A, B, C, and D, Bulletin 788.

Part A treats of administrative matters only and is of principal interest to officers and employees of the topographic branch of the Geological Survey.

Part B relates to triangulation, giving forms and examples for keeping field notes and for the computation of final geographic position.

Part C describes in great detail the most approved methods for running traverse lines and computing map positions.

Part D deals with leveling, a branch of topographic work in which accuracy is highly essential.

Parts B, C, and D of Bulletin 788 may be purchased from the Superintendent of Documents, Washington, D. C., at 10 cents each.

EVERY MANUFACTURING ESTABLISHMENT requires a water supply, but the needs as to quantity and quality vary greatly, according

Water Supply Controls Manufacturing to a report issued by the Geological Survey, Department of the Interior.

Practically all of the early industrial activity in this country was in places where the natural waters are soft and clear. Manufacturing has followed the spread of population to the west but not uniformly, for some industries have grown up around centers far from the coast, while others have expanded where they were originally established. The latter class, it is stated, contains most of those that require soft water. The process for softening water by exchange silicates, introduced com-

paratively recently, it is pointed out in the report now makes it possible to locate such plants at places where they could not operate successfully if they were to depend on the available water supply either in its natural state or after softening by the older methods.

Water supply must, of course, always be considered in locating any plant, and in some industries, like the manufacture of paper or textiles, it is likely to be the most important consideration. A factory for the manufacture of clothing or cigars may require little more water than that used for the individual needs of the workers and for cleaning workrooms; but a textile mill in which dyeing is done may use several million gallons of water each day.

The requirements as to quality of water also vary widely. Water used for cooling at steel plants or in some types of condensers at a power plant may be of almost any quality if it is not acid; but feed water for steam boilers should be either moderately free from suspended and dissolved mineral matter or easily made so. A paper mill that makes brown wrapping paper can use water of much poorer quality than is needed for a mill that makes fine white paper; but a plant that makes chemicals or drug products is forced to use distilled water almost exclusively in its manufacturing processes.

Again, in certain activities the sanitary character of the water is the controlling factor. Thus the preparation of food products, represented by the industries of slaughtering and meat packing, canning and preserving, and the bakery products business must be carried on where the raw materials can be obtained most easily, where the products can most quickly reach the consumer, or where the combined transportation is a minimum; but here the sanitary character of the water used is of greatest importance, and its chemical constituents may be a secondary consideration.

In this report of Geological Survey, Water Supply Paper 559, "Relation between Quality of Water and Industrial Development in the United States," the development of the industrial activity in the country is well shown in connection with maps and diagrams that indicate the quality of water in different regions. Copies of this report may be secured from the Superintendent of Documents, Washington, D. C., for 15 cents.

IN CONNECTION with their program for the year, the National Association of Purchasing Agents will concentrate on the adoption of the National Standard

Urge Adoption of Standard Invoice Form

Invoice Form. This form has already been indorsed by more than 80 national trade associations. Thousands of corporations and a majority of the large railroads throughout the country are demanding its use. The Comptroller General of the United States has requested all government vendors to bill on the form.

AS PROBABLY the largest buyer of office equipment in the world, the United States Government is interested in the most economic equipment. To the

Intensity and Duration of Building Fires

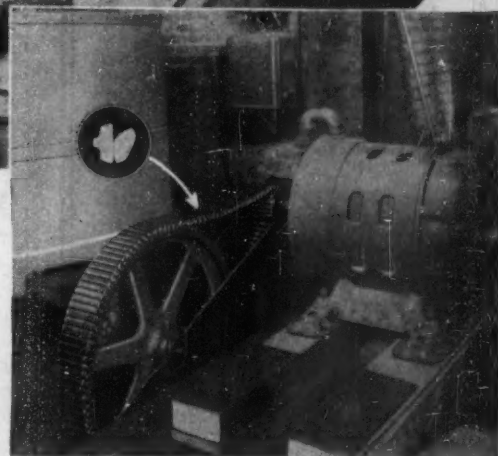
end of finding the results that fire would have on several different types of furnishings, the Government has had the Bureau of Standards conduct certain tests. Tests have been made of wood and of metal equipment. The results of these tests are embodied in Technical News Bulletin Nos. 114 and 116, procurable from the Superintendent of Documents, Washington, D. C.



20 H. P. Morse Silent Chain Drive from motor to sand mixer, American Radiator Co., Buffalo, N. Y. Driver, 725 r.p.m.; Driven, 112 r.p.m., 36 inch centers.

MORSE DRIVES and

AMERICAN RADIATORS



IDEAL BOILERS and American Radiators economically provide heat and make many homes warm and comfortable. Back of this well-known line of heat producers, there must necessarily be efficient manufacturing processes and dependable equipment.

At the plant of the American Radiator Co., Morse Silent Chain Drives contribute to dependable and low-cost production by keeping machines in continuous operation. Their sustained efficiency of 98.6%, their flexibility and positive action—these and numerous other features are helping to solve production problems for many nationally known concerns.

Over 6,000,000 H.P. in use, one-tenth to 5,000 H.P., 6,000 to 250 r.p.m. and slower. The nearest Morse Transmission Engineer is always available.

MORSE CHAIN CO., Ithaca, N. Y., U. S. A.

Branches in Principal Cities

OST1240

Just Overnight
from New York~
the Baths,
the Radio-Active
Waters of
Europe at . . .

The GLEN SPRINGS



IN all America, there is no other place like this—where the Radio-active mineral springs and the natural Nauheim brine baths offer you all the advantages of European Spas. And here, every year, leaders in American social and business life come regularly to relax and rejuvenate—to drink the waters and take the "Cure."

An estate of a thousand pine-fragrant acres. A setting of matchless scenic loveliness in the heart of the Finger Lake country. A justly famous cuisine, with private Dairy and Poultry farms. A daily concert program.

Visit "The American Nauheim" this spring—and take off ten years!

The baths and other treatments are especially suitable for heart, circulatory, kidney, nutritional and nervous disorders, rheumatism, gout, and obesity. Complete medical and hydrotherapeutic facilities, and modern aids to diagnosis.

THE GLEN SPRINGS
WATKINS GLEN · NEW YORK
WILLIAM E. LEFFINGWELL, President

Write for booklets

Chips from the Editor's Work Bench

By Raymond C. Willoughby

NOW THAT some Chicago dentists are exposed to a course in public speaking, their patients may look forward to a pleasant substitution of the garden variety of English for the hard words of the profession. No less would be the boon could the course be extended to other communities, where men must still hear about "that abrasion on the first bicuspid" instead of "the decaying spot on this tooth." No one who has had embarrassing hand-to-mouth relations with dentists would grudge them a mastery of the art of talking. Rather these alumni of the chair would wish that the dentists be put through the most thorough course of drilling and polishing.

EVEN THOUGH the Wolf Manufacturing Industries of Quincy, Illinois, have increased their production of radio cabinets by purchase of a plant at Kokomo, Indiana, there seems no reason to expect more howls from loudspeakers.

WHILE THE breeds of other creatures have been improved, man has become a machine-made being, produced under the rule of mass-manufacture, a composite of the adepts and misfits of ages, concludes Frederick A. Cook, when suggesting in the *Leavenworth New Era* the desirability of a standard breed of pygmies to do the lighter work of the world. In the doctor's fantastic colony of midgets, which he would center in the Virgin Islands, a new division of labor would be established:

They will make cigars, cigarettes, pipes, and a thousand other things that little hands can do more quickly and better. They will pick and pack oranges, grapefruit and lemons; they will gather lettuce, tomatoes, berries, and most of the garden products, and they will then pick the cotton that clothes all the world. Here is a waiting task for a million midgets that will save billions of dollars in the waste motion and excess baggage of our present system of doing little work by heavy-weights.

Along with the purely economic aspects of displacing "ponderous bodies and weighty hands" with pygmy workers is the promised social gain, for—

the beautiful and picturesque maid who serves as a rival attraction in modern homes would be replaced by a wee, little woman, too short to attract the polygamous man; and in the office the dashing blonde or the fiery brunette, that so often creates love-making possibilities that arouse the ire and destroy the peace of mind of many good wives, these and many other sources of trouble would be sidetracked by the coming of the midgets to the typewriter and filing cabinets of modern business.

It may be that the doctor's ingenious proposals are only the filmy residue of day dreaming. But it takes no great contemplation of life to agree with him that we do not hitch race horses to dump wagons, nor do we put truck horses to pony use. What the doctor is recommending is bottomed on belief that large bodies move slowly, and for him there is "no good reason to put a big individual with large hands and slow

motion to work when quick little arms and legs could do the same task at less expense." The hitch seems to be "our habit to follow blindly the life of our predecessors." It was Dr. Charles Mayo who said, "It will be fifty years before the human brain catches up with progress."

MORE AMERICANS must be seeing themselves as others see them, for in two years, 1923 to 1925, the value of mirrors manufactured in these states increased from \$33,467,973 to \$34,679,471, a matter of 3.5



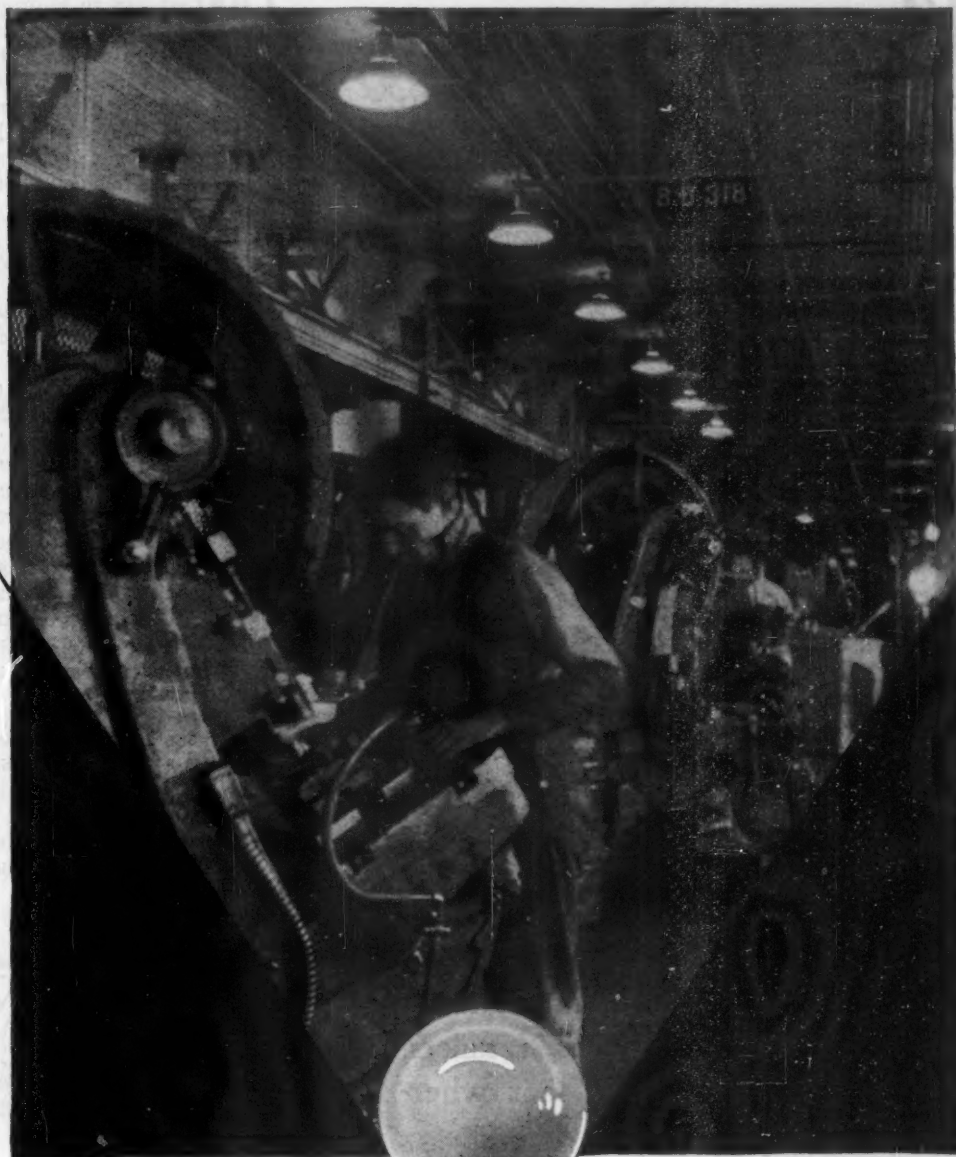
per cent. Along with the figures comes the extra bit of information that "framed" and "unframed" mirrors were included in the valuations. More enlightening would be an explanation that would tell how many persons, held up to unflattering view, were "framed" before they were mirrored.

ONLY a pessimist could see reversion to a "public be damned policy" in that headline, "It's Taxes First with the Railroads."

HALE AND HEARTY, and eminently able to celebrate its Diamond Jubilee, the house of Studebaker well deserves the friendly appraisal "seventy-five years young." It was just a little more than seventy-five years ago that Henry Studebaker and his brother Clem established a blacksmith and wagon shop in South Bend, Indiana. Their capital was \$68 and two forges. Soon after the opening of their shop, John M. Studebaker, another brother, arrived in South Bend on his way to California. His brothers made a wagon for his use. Instead of seeking gold when he reached California, he made money building wagons and wheelbarrows for the miners. In five years he saved about \$8,000, and with that capital he returned to South Bend and joined in the manufacture of vehicles.

By that time two other brothers were in the firm. The business prospered so greatly that branch houses were required to distribute the company's products. At the end of the century, the Studebaker brothers were experimenting with the manufacture of automobiles, and in 1902 the production of horseless carriages was actually begun. The first vehicles were electric runabouts. In 1904 "Studebaker" turned out its first gasoline-propelled vehicle. That venture was also successful. On every highway the

Light up..for greater profit



THE TWO greatest profit-stealers in industry are spoiled material and wasted time. Proper lighting reduces both to a minimum. Says James J. Davis, Secretary of Labor:

"In a manufacturing establishment in which the very best lighting facilities are lacking, not only will the best efforts of the workers and management be affected, but the stockholders will not entirely escape the de-

pression when they receive their dividends."

Ask our engineers about lighting. They will gladly send you a bulletin about lighting your particular kind and size of business, or send a man to check your lighting. This service is yours without charge and without obligation. Just drop a line to the Edison Lamp Works of General Electric Company, Harrison, New Jersey.



EDISON MAZDA LAMPS

GENERAL  ELECTRIC

Mr. HOOVER *thinks*

that most men work very hard indeed, to escape the work of thinking.

It's our business to think for you; to look over your office equipment, files, forms and binders and to point out to you simple improvements which will save, oftentimes, real hard cash.

In Pittsburgh, for instance, a state bank *knew* their vault wouldn't hold any more files, and expensive enlargements couldn't be avoided.

The Baker-Vawter man solved their problem so easily—by the use of 5-drawer Space Savers instead of the old 4-drawer files that 25% more filing room was available *on this same floor space*.

To be sure it was "good business" for us but it was "*better* business" for the bank.

It typifies what we regard as "Service;" pointing out better ways of doing things—we're doing it every day for thousands of banks, manufacturers, jobbers, retailers, clubs, insurance offices—in fact wherever *better* business is carried on.

BAKER-VAWTER DIVISION
REMINGTON RAND, INC.



MR. H. W. WEITZEL
of Pittsburgh

The incident above is but one of countless gestures of real helpful service that Mr. Weitzel has made. Like 200 other Baker-Vawter men, who have lived and worked closely with growing business all over the country, Mr. Weitzel in and around Pittsburgh is trusted and respected because he has proven his ability to give constructive help in lowering the costs of office work.

cars with the distinctive wheel insignia are now familiar sights.

To stay in business for seventy-five years is a notable achievement. For to do so requires, of course, inflexible integrity, a worthy product, and enduring good will. But more, the record signifies an alert concern to improve the comforts and conveniences available to mankind. The Studebakers were able to look beyond the buggy and envision the service of the motor car. Perhaps the lesson is that no business can be assured long life under a policy that what was good enough for one age will always be good enough for the America of a later day.

WILL THE live go-getters of the Middle West accept the mercurial Mencken's declaration that he knows of no university in that section comparable to the University of North Carolina? Not if Fred High of Chicago can make himself heard. And more than clarion, almost megaphonic is his call to the "Rotary, Kiwanis, Lions, and other service clubs" to resent the syndicated snubbing.

For his own part, he is bent upon rousing the students to decide for themselves which university is the greatest, "not by proclamation, but by test." To make that test a little more inviting, he will—

personally offer \$100 as a nucleus for a national prize to be awarded to a student who produces the best thesis to be submitted on or before June 11, explaining or giving the causes of cyclones, tornadoes, typhoons, whirlwinds, air pockets, wind disturbances and weather changes.

On its face, that sort of exploration seems a rather roundabout approach for a comparison of the inner holies of our temples



of learning, and in any case the odds would likely be with the elements, though the off chance might yield some hardy scholar the supreme secret of all the windy touting of the "higher education." Yet, as it stands, it is an inspired hazard that Mr. High raises. Well might he disdain the labored fancy that could get Don Quixote no farther than a tilt with windmills. Much nearer the sky is the proposal that would set the young idea a-jousting with tempests.

TO CONSIDER the lengthening shadow of impending crisis in Chile's nitrate trade is to recognize again the revolutionary consequences of the progress of industrial chemistry. Because of the increasing production of synthetic nitrogen Chile must decide whether to reduce or even abolish the tax on exported nitrates. From that tax about 40 per cent of the revenue has been derived. It has provided the means for ports, railways, and other improve-

NEW YORK LIFE INSURANCE COMPANY

DARWIN P. KINGSLEY - - - President

A Mutual Organization—Founded in 1845 Incorporated under the Laws of New York
346 BROADWAY, NEW YORK, N. Y.

Eighty-second Annual Statement

To the Policy-holders:

You, the members of the New York Life Insurance Company, owned 2,220,784 policies at the close of business on December 31, 1926.

You are a vast community of people representing every honest walk in life—farmers, bankers, tradesmen, merchants, laborers, manufacturers, employers and employees, and professional men and women—young and old—all banded together in a common enterprise for the common good.

If you and your families could be brought together, you would populate one of the largest cities in the world. What a city it would be, with every family striving to safeguard its own future through a single co-operative institution for insurance and savings!

A Prosperous Year

In 1926, this Company, which you own, wrote another chapter of progress:

New insurance over **900 Million Dollars.**

Total insurance in force over **5³/₄ Billion Dollars.**

Paid to members and beneficiaries over
133 Million Dollars.

including over **53 Millions in Dividends.**

You, the policy-holders, have accumulated assets of more than **1¹/₄ Billion Dollars.** This money plus your future deposits and compound interest will eventually provide for payment of the Company's obligations to you and your beneficiaries.

We believe we are one of the companies Hon. Charles Evans Hughes had in mind when he recently said:

"I like to think of the spirit of life insurance, for it is the spirit of achievement."

Nylic Is Your Investing Agent

The fund of more than **1¹/₄ Billion Dollars** is invested in accordance with the strict requirements of the laws of the State of New York; and it plays a substantial part in the development of the nation's farms, homes, railroads and public works.

As policy-holders, you practice thrift. You invest soundly and safely. Your money will be available to you and your dependents, impressed with emergency-power, at a time when it will be needed most.

That is what Mr. Hughes meant when he said, in the address to which I have just referred, that a life insurance policy was the best guardian of the purse that had ever been discovered.

Small Average Policy

Your total insurance is impressive; but if you divide it by 2,220,784, the number of policies, you will find that the size of the average policy is only \$2,590.

Of course, some members have more than one policy; and many of you are also insured in other companies. But the great majority are UNDERINSURED, as you will see.

Cash Value of Life

Fire insurance and life insurance protect values. The value of a worker's life is the cash worth of his future net earnings, usually far greater than the value of his property. The following points may help you to estimate the monetary value of your life.

The United States Government fixed \$10,000 as the insurable life-value of American soldiers and sailors in the Great War, *mostly young unmarried men who had been earning small incomes or none at all.*

Recently, according to the *New York Times*, the American Statistical Association declared that the money value of the average American life (including children and adults who earn no income) is \$17,500! *As an income-earner, the value of your life is much greater.*

Consider the capital required to produce income from interest. At 5%, it takes \$24,000 to yield \$1,200 a year—\$100 a month.

How Much Insurance Is Needed?

The answers to the following questions will enable you to measure your insurance needs: What is the minimum income you will require in your old age, or if you become totally and permanently disabled; and what is the smallest annual income your family could manage on if you were taken away?

Is it \$500 a year, or \$1,000, \$2,000, \$5,000, \$10,000 or more?

How much will it require to settle your estate—to pay your debts, mortgages, and taxes, including the federal and state inheritance taxes?

How much cash will be needed at your death, or the death of your partner or an official of your company, to stabilize credit or to enable surviving partners or stockholders to acquire the deceased associate's interest in the business and carry on?

Your Program

You probably have a program, because you are insured; but how does your program stand today? How far short is it of the safety mark or the mark you are aiming at? May I suggest that you figure it out for yourself, or call in one of our Agents to help you work out a plan suited to your needs, so that you may feel secure as to your own and your family's future.

DARWIN P. KINGSLEY, President.

Financial Summary, January 1, 1927

ASSETS	
Real Estate; First Mortgage Loans on Farms, Homes and Business Properties	\$440, 388,584.62
Bonds U. S., other Gov'ts, States, Cities, Counties, Public Utilities, R. R's, etc.	583,984,590.22
Policy Loans, Cash and other Assets	242,692,691.20
Total	\$1,267,065,866.04

LIABILITIES	
Insurance and Annuity Reserves	\$1,003,297,782.00
Dividends payable to Policy-holders in 1927	54,535,527.00
All other Liabilities	102,428,175.76
General Contingency Funds	106,784,381.28
Total	\$1,267,065,866.04

Total Income in 1926 \$295,341,937.98



by actual test, factory workers are more efficient in Oakland

["The makers of Crystal White Soap found their labor 20% more efficient here than in their middle-western factory. "The Shredded Wheat Co. (Pacific Coast Division) declares labor in their Oakland plant is 25% more efficient in summer and winter than in eastern and middle-western plants. "The Mazda Lamp Division of General Electric Co. states their eastern breakage represents a unit of 20%. In their Oakland plant it is less than 1%."

STARTLING as these figures are — they are typical of tests reported by many national industries that operate factories in Oakland.

Oakland workmen are not Super-men — they are merely healthier, happier workers. They live well. 42% own their homes. Their families are contented. Their children attend good schools — play in public recreation grounds. Life is good to them here — so they work well.

Oakland's mean annual temperature — 57.1 degrees — is closer than any other industrial American city to the ideal for highest labor efficiency — 59 degrees.

Manufacture in Oakland and cut your production costs — give your products an even footing in the struggle for the Western market. A copy of "Industrial Oakland" will tell you how and why. May we send it?

Upon request from a business executive a technical industrial survey of this territory will be prepared for any particular industry.

Industrial Department, Oakland Chamber of Commerce

This advertisement of Oakland and Alameda County — the West's fastest growing industrial district — is produced co-operatively by the Oakland Chamber of Commerce and the Alameda County Board of Supervisors.



**Ask
for it!**

OAKLAND { and Alameda County } CALIFORNIA

"Industrial Capital of the West"

When writing to INDUSTRIAL DEPARTMENT, OAKLAND CHAMBER OF COMMERCE, please mention Nation's Business

ments. No exhaustion of the deposits can be charged, for a government report assures that Chile's saltpeter deposits are adequate to meet world demands during the next two centuries.

Not the vagaries of investors but the rising pressure of a new product explains why the shares of five great nitrate companies, quoted on the London stock exchange, declined in twelve months from a value of \$17,353,000 to \$7,924,000. In 1926 the output of synthetic ammonia was equivalent to about 650,000 tons of pure nitrogen—double and something over Chile's production—and by-product coke ovens accounted for 240,000 tons of nitrogen as sulphate of ammonia. That figure probably would have been raised considerably with avoidance of the British coal strike and its consequent depression of the iron and coke industries.

It is obvious, of course, that new industries are dislodging old industries, though the resultant economic readjustment required is not always apparent. There is a wealth of illustration in the problem faced by the indigo growers of India on the discovery of a method for making purer indigo from the waste products of coke manufacture and, in our own times, in the active and potential competition from artificial silk, artificial rubber, artificial dyes, and methanol, just to name a few of the chemists' new products.

No one can definitely foretell the next move in the nitrate industry, but it is already evident that the producers of the natural nitrate are not without hope of meeting the competition of the synthetic product. One important company has already announced that research has provided new methods of mining and extracting nitrate from the ground. By these methods a considerable saving is possible, 90 per cent of the nitrate is recovered, and low-grade deposits can now be worked—these advantages, so the report says, virtually trebling Chile's nitrate reserves.

The state of this industry is apt illustration of belief that though the chemist is destructive of the existing order, he may also be its savior. In its beneficent service to mankind, research has the sovereign power to commute the sentence of the things it has condemned to industrial death.

IN THAT headline, "Thinking of Suicide? Read Dickens and Live," there is a sprightly smatter of advertising patter, something fairly sloganish to keep the quick from going dead. No doubt many an other-worldly urge has been slowed down by a capacity cargo of Dickens, but is it downright sporting to grudge pessimism the one satisfying success of engineering its own exit? In the lingo of the copy writers it would probably be just as effective to say, "Don't Envy a Beautiful Suicide. Read Schopenhauer and Have One."

IF THERE is something ironical, something of the tongue in the cheek in the theater's phrase "at liberty," it is none the less hallowed with the willing observance of generations of troupers. To the profession, its advertisement signifies that business is not as usual, that an engagement is ended, and that the brisk quest of another is in progress. Always the search seems tem-

April, 1927

NATION'S BUSINESS

135

pered with a resourceful faith that persevering merit will again be "booked solid." More than perfunctory patter, even drama itself, is in the necessitous solicitation of those who live to please—and who must please to live—as in this advertisement of a vaudeville team,

lady does blackface or straights in all med. acts, blue singer, cornetist, concertina, uke, wench specialty, dancing, pianist, fake and read. Gent. does comedy juggling, club swinging, comedy and straight, magic, monologue and dancing, straight or Jew comedy in acts.

There is a concise catalogue of capabilities, a terse definition of versatility—an artless bit of stage business that slips out of character to barter with the world of realities.

PROBABLY IT was to be expected that, among the spare parts in motor car dealers' stocks, hub caps would have a rapid turnover.

ANNOUNCEMENT that West Baden has been selected as the place for the annual convention of the Heating and Piping Contractors National Association in June confirms belief in the doctrine of natural selectivity. The most elementary course in chemistry—or is it physics?—will show the compelling affinity between mineral water and plumbing.

ONE EXPLANATION for the decline of 3.1 per cent in the value of trunks, suitcases, and leather bags and cases, from 1923 to 1925, as reported by the census bureau, is the apparent shrinkage in the size of women's luggage, especially trunks. A woman's clothes used to be matters of pounds, but now they are matters of

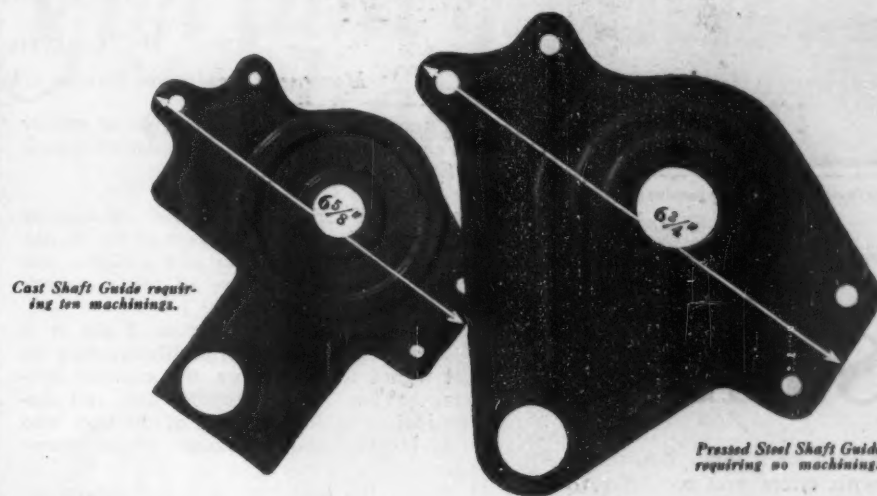


ounces. A trunk had to be large to hold dresses as they were made several years ago. Because of the modern tendency to reduce the bulk of garments, a suitcase will now carry a considerable number of the short and sheer things favored by the modern woman—reason enough, almost, for revising a famous slogan to "You Just Know She Doesn't Wear 'Em."

IT WOULD be reasonable to expect light on the density of our population in "Seeing Concrete America." But to give the booklet its fair due, the Portland Cement Association only runs true to form in publishing footnotes rather than headlines.

SOON THE seven deadly sins will be matched with seven horrors of civilization. To the unholy trinity of pyorrhea, halitosis, and comedones, the advertising copy writers have just added "epithelial debris (dandruff)."

"Press It From Steel Instead!"



**On this redevelopment
Pressed Steel actually COSTS
LESS than the machining
expense on this casting!**

This inner shaft guide of a gasoline pump used to be a 1 1/4 pound casting. Before assembly it required ten machining operations—seven drillings, three grindings. Then YPS came into the picture. Now the redeveloped guide is *pressed steel*. It weighs but three-quarters of a pound, the holes are punched in one operation, and the smooth, true pressed steel surfaces need no grinding. Here's the result:

1. Costs cut 50%.
2. 40% weight reduction.
3. All machining eliminated.
4. Stronger, unbreakable part.

Are you using a cast part? "Press it from steel instead," and you may save thousands of dollars a year! Pressed steel reduces cost and *better*s the product! Send samples or blueprints of any of your castings—or if you are developing a new machine or redesigning an old one, get in touch with our Redevelopment Engineers right at the start. Without obligation we'll tell you frankly whether you *can* cut costs.

THE YOUNGSTOWN PRESSED STEEL CO., Warren, Ohio
Chicago—927 Straus Bldg.

"Pioneers in Pressed Steel Redevelopment"
Industrial and Automotive Pressed Steel Parts



Adventures in Redesign—The example here is only one of the hundreds of pressed steel redevelopments we have made. "Adventures in Redesign" is a booklet that relates equally remarkable instances wherein "pressing from steel instead" has reduced weight, increased strength and vastly improved the character of products for almost every branch of industry. Ask your secretary to mail the coupon today.



"Press It from
Steel Instead!"

The Youngstown Pressed Steel Co., Warren, Ohio

Please send me a free copy of "Adventures in Redesign."

Name

Company

Street

Town State N. B. 4-37



One of the 60 courses that make a paradise for golfers

A New Kind of Summer

Make plans for it now. Southern California offers you cool, clear, days—nights under blankets—a thousand things to do and see—and No Rain!

PLAY golf on your choice of 60 courses, ride horseback over mountain trails—fish in a mile-high lake—motor over 5,000 miles of paved boulevards—past orange and lemon groves—see a desert like Sahara—visit quaint Old Spanish Missions—picnic in palm-lined canyons or bathe in the blue Pacific. Plan anything you wish and have your fun, for summer is the rainless season in Southern California.



The lure of winding roads, Palos Verdes

Note this 50-year record of the average mean temperatures in a central city in this section: 50 June, 66 degrees; 50 July, 70; 50 August, 71; 50 September, 69. U. S. Weather Bureau figures, (not our own). Humidity is always low. And you'll sleep under blankets nine nights out of ten.

Here, too, is a great industrial empire to interest business men.

You'll find a new kind of summer.

In planning your trip here, you can if you wish, arrange a circle tour to see the entire Pacific Coast from San Diego to Vancouver—your railroad ticket agent will explain. Low rates in effect on all railroads from May 15th to October 31st.

We've printed probably the most complete book ever issued on the subject of vacations, 52 pages, profusely illustrated. Just send a post card to address below and get a copy free.

All Year Club of Southern California, Dept. 4-Q, Chamber of Commerce Bldg., Los Angeles, Calif.

Southern California

All-Year Vacation Land Supreme



The city of Los Angeles, with a population of well over a million, is the largest city on the Pacific Coast and is the hub of one of the country's richest agricultural communities.

The growth, wealth and marvelous resources of Southern California are indicated by the following facts and figures pertaining to the County of Los Angeles alone:

Value of Agricultural and Live Stock Products (1926), \$89,507,515; Value of Citrus Products (1926), \$26,652,846; Oil Production (1926), 123,264,270 bbls.; Harbor Imports (1926), 4,962,482 tons; Harbor Exports (1926), 17,132,494 tons; Total Harbor Tonnage 22,094,976.

A producing season of 365 days a year permitting year 'round crops.

Chamber "Do's" and "Don'ts"

VII—Trained Secretaries

By Colvin B. Brown

Manager, Organization Service, Chamber of Commerce of United States

THIS IS THE SEVENTH of a series of articles on chamber of commerce and kindred organization activities.—THE EDITOR.

WHY IS IT that the outstanding achievement last year of the Blathersburg Chamber of Commerce was the staging of a bonfire of the summer's straw hats?

Answering my own question, I say it is because the business men of Blathersburg do not regard their chamber of commerce seriously. They do not exercise care and discrimination in the selection of the man who is to be the business manager of the chamber.

Would the president of the Blathersburg Sheet Steel Company pick out a boyhood crony who had been a politician all his working life and was out of a job to head his production department? But this same president who exercises so much care in picking out the lawyer who is to sue the Government for overpaid taxes may help select a totally incompetent and inexperienced man as secretary of the chamber.

Is it, then, any wonder that the particular chamber of commerce is regarded as a joke? A business man picks out skilled labor every place he needs it in his business, but he often picks out unskilled labor to develop his community.

This vicious circle of untrained secretaries and ineffective chambers can only be stopped by hiring trained secretaries, not by training hired secretaries.

The Busy Secretary

TO MAKE my point clear we should definitely understand what the job of the secretary is:

First, it is to cooperate with the Board of Directors in increasing the man-power and efficiency of the business and civic-building activities of the community, to be a reliable source of information concerning the organization and its field, to interpret to the organization and the public the policies as determined by the board, to carry out the decisions of the board, and to supervise the staff of the chamber.

Second, it is to assist the committees in planning, organizing, and promoting their work; to coordinate the chamber's activities; and to inject into the business men enthusiasm and incentive for the work.

Third, it is to interpret to the membership and the public the ideals, purposes and policies of the organization; to keep the membership informed as to the resources and possibilities of the community; to secure for the individual member the greatest benefit through an understanding of the work of the organization and a use of its facilities.

Obviously, this work calls for a trained man. A man who has some general notions about chamber of commerce work and likes to "boost" things cannot qualify as a manager of a chamber.

It may be unfortunate that we call the manager of a chamber, secretary. When the title, secretary, is applied to the manager of a chamber of commerce, it is used in the same sense as in designating the head of a government department. The point I want to make is that the title of secretary in chamber of commerce work refers to a responsible executive position.

To provide the necessary technical training, Northwestern University, the National Association of Commercial Organization Secretaries, and the National Chamber have cooperated in establishing a school for training men for secretarial work. The school session is two weeks long each summer. At the end of three terms, if the course is satisfactorily completed, the graduate gets a certificate of proficiency. A few of the subjects that the school covers are:

Program of Work
Meetings and Committee Management
Publicity
Industrial Activities
Civic Activities
Street and Highway Traffic
Public Finance and Taxation
Marketing and Distribution
Legislation
Accounting and Financial Analysis
Present-Day Economic Problems
Retail Trade Development

Between sessions of the school a student is required to do certain reading on the subjects which he is studying.

I have had people say to me that untrained secretaries can learn and in a short time fill their positions very capably. This is true on occasions, of course, but the trained man can avoid mistakes. The trial and error method is too costly to pursue when it can be avoided very easily. Here are a few instances of what an untrained man may do:

Experience has proved that the giving of bonuses to induce the location of industries is an unsound practice. Experienced secretaries know this and will not sanction it, but to the inexperienced man the bonus is an easy way of making a record. In one town I know, the business men are holding worthless paper representing many thousands of dollars of their money because of inexperienced handling of industrial development work.

How often the inexperienced secretary, to help his retail merchants, puts on a "Buy at Home" drive. He thinks of the question as one of sentiment, not of economics. The experienced secretary knows that "Buy at Home" must be changed to "Buy Better at Home," for he sees the question from the shopper's, not the merchant's angle. He knows that "commercial salvation by sentiment" won't work. He also knows how to proceed on a constructive program.

A third mistake that the inexperienced secretary may make is to let the chamber degenerate into a one-man organization. He does not know how to get committees together; and if they do meet, he does not know how to get them to work. The trained secretary understands the importance of the chamber's committee organization and how to bring it into action.

Secretarial work is often spoken of as a profession, meaning that those who are in it are more interested in the opportunities that it offers for public service than in pecuniary rewards. They have developed professional standards to which they adhere closely. It is as odious to be called "unprofessional" in this work as in that of lawyer, doctor, or engineer. The trained secretary is comparable to the reputable engineer. He is fit for his job, and he knows his work.

*You can't go along
and apologize*



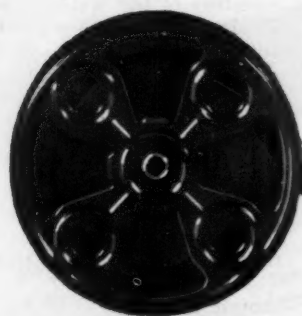
WHENEVER you sign a letter, you approve its appearance as well as its contents. It represents you. Its appearance conveys a mental picture of you who sign it. It is your *personal* representative. A Panama typed letter leaves nothing to apologize for.

PANAMA SERVICE

WE know what is required of a typewriter ribbon in quality work, in economic efficiency. It is the mission of Panama Service to solve your problems as we solve our own.

Panama Bronze Typewriter Ribbons

MANIFOLD SUPPLIES COMPANY
190 Third Avenue, Brooklyn, N. Y.
Manufacturers Since 1896



THE LINE THAT CAN'T BE MATCHED

No business man is competent to make wise decisions unless he is in possession of all the facts bearing on a transaction



WOULD YOU EMPLOY A BLIND-FOLDED MAN AND EXPECT HIM TO WRITE ACCURATE AND COMPLETE RECORDS?

All the Facts

Concerning every transaction in your business are available instantly if you use

EGRY COM-PAK REGISTER

Widely used by

WHOLESALE PROFESSIONAL MEN
RETAILERS ASSOCIATIONS
TRADESMEN PUBLIC OFFICES
INSTITUTIONS MANUFACTURERS

Every Record handwritten in as many copies to the set (two to six) as required—all legible.

Every Record complete and informative.

Every Bill to the set produced with one writing and issued in perfect alignment.

Every Set of Bills printed to order, consecutively numbered for checking and reference purposes, punched for filing, and discharged automatically to an exact uniform size by one turn of the handle.



Adapted to issue continuous length Roll or Fold-Pak Form

Use coupon to get full information with complete set of actual forms furnished many satisfied users.

THE EGRY REGISTER COMPANY

Dayton Ohio

THE EGRY REGISTER COMPANY
Dayton, Ohio, Dept. A

We shall be glad to receive from you, without in any way obligating us, complete information with actual forms, showing how the EGRY COM-PAK will help in the efficient conduct of our business.

Name of Company

Kind of Business

Street Address

City and State

News of Organized Business

FIGURES may be the language of commerce, but thousands of them are plain Chinese to most business men.

Nearly all figures mean something—and nearly all of them will be used in business, somewhere, some time. The number of cows in Siam or monacles in England may be of practical value to someone who is selling milk bottles or eyeglasses. A business man is glad to learn anything he wants to know, though no one else cares a fig for the "figures" which interest him.

There are statistics and statistics—but there are none that are valuable to all business men, all of the time. There are very few that are valuable to a large number of business men, part of the time. One of the most widely useful tabulations is the Census of Manufactures, but even this speaks in a tongue that only a comparative few understand.

Business men have been active in urging a census which would supply reliable figures on the vast business activity centering about the distribution of merchandise. Distribution, which occupies the time of the majority of business men, has been uncharted, except in special and restricted cases. The census of distribution, which has been urged, would supply business with dependable data on the distribution and consumption of the goods it carries to the consumer.

The first official recognition of this demand came when the Department of Commerce began its experimental "census of distribution" in Baltimore a few weeks ago. During February and March, census enumerators visited thousands of business establishments, collecting remarkably complete business information.

Assisting census officials was an expert sub-committee which had been appointed by Owen D. Young, chairman of the Committee on the Collection of Business Figures of the United States Chamber of Commerce. Business men of Baltimore cooperated actively. In a little more than a month the canvass had been made.

Some of the questions which can be answered when the census figures are tabulated are:

How much does Baltimore spend for various commodities? For what it eats, wears, smokes?

How many firms are there, retail and wholesale, distributing merchandise? And, in the various lines—how many grocers, druggists, hardware merchants, furriers, coal dealers?

What are the total sales at retail? At wholesale?

What are the average stocks which merchants carry? What are their stocks at the end of the year?

How many people are employed in selling goods? And in what types of business are they engaged? What are their total earnings?

What are the types of ownership in the city's business? How many independents, chains, selling agents, etc.?

Many other questions can be answered in detail by Baltimore business men who consult the census figures. Baltimore was agreed

upon as the city for the first census of distribution because of three things—proximity to supervising officials in Washington, the typical business conditions which existed, and the generous aid given by the Baltimore Association of Commerce.

Twelve or fourteen other representative cities in different sections of the United States will be selected for a preliminary census of distribution, after the results of the Baltimore census have been studied, according to the present plans of the Department of Commerce and the National Chamber's sub-committee.

Following the preliminary census, a wider census supplying national figures on the distribution of merchandise may be undertaken. But, whatever this development may be, a

dozen cities are going to be furnished with basic business figures which have never before been available.

Trade Lexicography

AREFINANCING and reorganization program is being worked out by the National Builders' Supply Association. Instead of the usual assessment, the association is asking its members to lend an amount equal to one-half of one per cent of the gross business done annually, this amount to be placed on deposit ten years. After this time the original deposit reverts to the member. Meantime the interest from the original deposit goes to the association to maintain its activities. The member gets a negotiable certificate of deposit for the amount of the loan and the deposit is assured against loss.

The association has set as its initial goal a fund of two million dollars or more, which is to yield more than one hundred thousand dollars in interest. It is hoped that in the ten-year period the association will be able to establish itself on a self-supporting basis.

* * *

Eight years ago the Society of American Florists and Ornamental Horticulturists planted the seed of the "Say it with Flowers" campaign with a \$25,000 appropriation. Now plans are under way to put the campaign on a \$500,000 basis annually. Justification? This trade group is convinced that the volume of business doubled in the first four years and is growing at the same rate the second four years.

* * *

Prosecuting fraudulent bankruptcies has been successfully undertaken through the cooperative effort of the 1,400 manufacturers, members of the National Jewelers' Board of Trade. On the other hand, however, assistance is rendered to embarrassed debtors through an adjustment committee. The association reports that, as compared with the usual minimum settlements in bankruptcies and the wastage which they involve, the large average settlements effected through the work of the committee runs into several million dollars.

The association is also investigating misrepresentation and misstamping of jewelry.

* * *

Style has come to be the main element in shoes for women in recent years. With the passing of the high-top shoes, the industry

FOR STRENGTH AND PERMANENCE

REINFORCING is a vital element in all types of concrete and plaster construction. To the utility and beauty of these materials, National Reinforcing adds the strength and permanence so essential to the durability of our modern structures.

National Reinforcing is electrically welded steel wire fabric (mesh), made in various sizes and styles for reinforcing concrete roads, streets, pavements, sidewalks, driveways, floors, roofs, dams, reservoirs, vaults, walls, revetments, levees and pipe, plaster walls and ceilings, stucco walls, and stucco "Overcoats" for old frame houses.

National Reinforcing is your protection against cracks and dangerous breaks in well made roads, floors, walls, ceilings and roofs. Its cost is so slight and its ultimate benefit so great as to condemn non-reinforced structures as extravagant.

Many revolutionary developments in concrete and plaster reinforcing have made National Reinforcing the standard of the world, and the National Steel Fabric Company the world's largest manufacturer of welded steel fabric.

Write for complete information on the National Method of Reinforcing.

THE NEW AND REVOLUTIONARY METHOD OF PROTECTING PLASTER WALLS AND CEILINGS

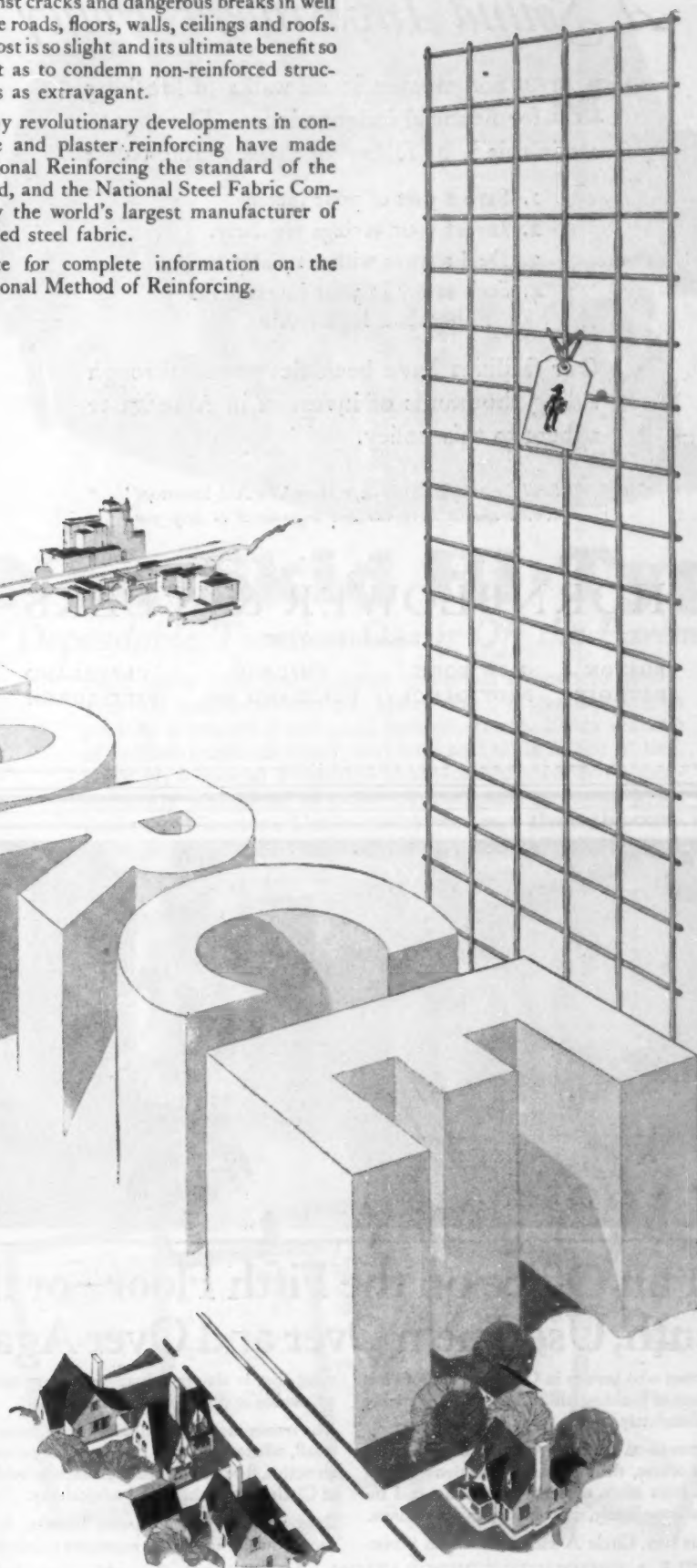
Easier To Apply
Easier To Plaster
More Economical
Vermin Proof
No Dry-Outs
No Lath Marks
Prevents Cracking
Prevents Failing

INSULATION AND SOUND DEADENING
WATER-PROOF HEAT BARRIER
REINFORCING
STITCH COAT
FINISH COAT

National Reinforcing for Plaster—the highest type of construction ever developed—is directly competitive with all types of plastering. Don't build, repair or remodel before learning about it.

NATIONAL STEEL FABRIC COMPANY
722 Union Trust Building, Pittsburgh, Pa.
Please send me complete details about National Reinforcing for Plaster.

Name _____ State _____
Address _____
City _____



NATIONAL STEEL FABRIC CO. PITTSBURGH, PA.
SUBSIDIARY OF PITTSBURGH STEEL CO.
OFFICES IN MANY PRINCIPAL CITIES—SEE TELEPHONE BOOKS FOR ADDRESSES
WORLD'S LARGEST MANUFACTURER OF WELDED STEEL FABRIC

When writing to NATIONAL STEEL FABRIC CO. please mention Nation's Business

A Sound Investment Policy

MEN and women in all walks of life long for financial independence. The way to attain this is by following these simple rules:

1. Save a part of your income.
2. Invest your savings regularly.
3. Deal always with a reliable house.
4. Seek safety in your investments rather than high returns.

Our facilities have been developed through aiding thousands of investors in America to adhere to this policy.

Send for our folder N-4, "How We Aid Investors" which shows how we are organized to help you

HORNBLOWER & WEEKS

ESTABLISHED 1888

BOSTON
DETROIT

NEW YORK
PROVIDENCE

CHICAGO
PORTLAND, ME.

CLEVELAND
PITTSBURGH

found that the demand was "shoes for the occasion." This developed, and the phrase has been taken as a slogan by the National Boot and Shoe Manufacturers' Association. The association is cooperating with tanners and retailers and following the color card system of the textile association.

* * *

The National Hardwood Lumber Association employs about 100 expert inspectors located in different parts of the United States who are subject to the call of buyers and sellers and who officially measure and inspect hardwood lumber to see that it complies with the standard rules of the association. It is estimated that this service has saved many thousands of dollars in adjusting disputes that otherwise might have resulted in litigation.

The association has distributed the generally accepted standards which have been worked out for the general trade to the extent of 50,000 copies. The small operator in hardwoods has the same advantage as the large operator and the services are open on an equal basis.

Getting the Tourist's Dollar

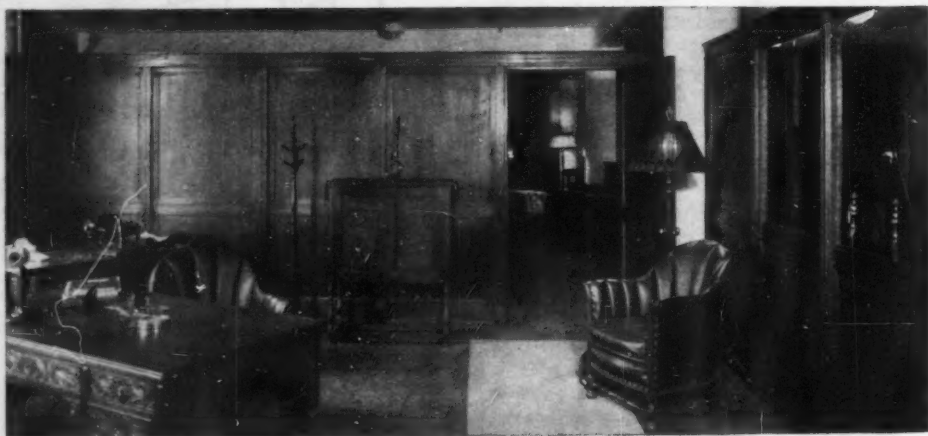
MARIETTA, OHIO, claims to be "the best marked city in the world." They base this claim on the thoroughness with which they have marked their streets and places of interest, and the attractiveness of



the markers. Interesting as are the markers and the organization spirit that made the claim possible, the idea prompting the undertaking is even more interesting. We quote from a letter from E. M. Hawes, chairman of the marking committee.

American cities are all out for new industries. So keen has competition become that they are engaged in a rather ridiculous competition in many cases, and thousands upon thousands of smokestacks, fostered by chamber of commerce activities to too great an extent, stand today as mute evidence of misplaced civic pride and effort. While this goes on, but little has been done, at least in a civic way, to attract new money to the town from the enormous market of automobile tourists. The American Automobile Association, as you know, puts out a figure of thirty-six million, one-third of our population, on wheels in 1926. Most of these people are just going somewhere, but don't know where. To them, most all towns are alike, and, unfortunately, most of them are just "burgs."

The points of unusual interest in a town are the things which give towns their character, yet to one-third of the population driving through many towns the towns have no character. What Marietta set out to do was to capitalize this market—to get them to stay here an hour or half a day longer at least. Each automobile that came through here and which could be interested in seeing spots of interest was apt to buy a meal and 10 gallons of gas instead of hurrying through as fast as traffic cops would let them. If they did buy this much, they were equal to a factory hand living in this town with his family all that day; that is, they were equal in new money to the town. Furthermore, they remember



For an Office on the Fifth Floor—or the Tenth, Use Them Over and Over Again

The man who invests in Circle A Partitions has a means of building offices anywhere—quickly and completely.

If someone on the tenth—or any other floor—needs offices, then Circle A Partitions can be taken from stock, or some other office and installed immediately, with virtually no mess or litter.

In this way, Circle A Partitions are an invest-

ment that is always valuable—always quickly adjustable to the needs of the tenants.

The numerous office buildings, both large and small, where Circle A Partitions are providing attractive, flexible accommodations, bear evidence of Circle A usefulness and adaptability.

Send now for our illustrated booklet. It can show you the way to less expensive subdivision.

CIRCLE A PRODUCTS CORPORATION · 658 South 25th Street, Newcastle, Indiana



the town definitely for what they see here, and, if treated pleasantly and courteously, they are talking, walking advertisements to bring other people here.

Although the system has only been installed three months, we have actually had visitors become customers of our firms here through just casual, interest-attracting system. We figure that the foreign cars, that is, cars from outside Ohio visiting Marietta last year—were equivalent to a plant which employed 100 heads of families. Our estimate for 1927 is the addition of tourists equaling another plant employing 300 heads of families or an increase of 10 per cent in our population. This is one phase of it.

Another phase which I can't word so well, but which seems to have merit, is this. One of our great problems is cluttering up our roads with automobiles rushing pell-mell at or above the speed limit. Wouldn't it make for better knowledge of America and better Americans if we traveled fewer miles and saw more of the interesting things in the miles we did travel, and wouldn't it also alleviate somewhat traffic congestion? The above expresses the big idea which we see in what Marietta has done.

The way we did it is interesting, but maybe not so essential. We did not mark just the streets nor did we just mark the spots of interest themselves. We did put markers of a distinctive type on the main highway at the junction closest to the point of interest so that our visitors, without asking a single soul and without attempting to follow the absurd directions usually received, can see our points of interest. They do see them and not only visit those points which the markers on the arterial highways direct them to, but they actually drive through the town to find what else they can that is self-explanatory. Our markers are of such a type that before the visitor is in the city limits he knows that these markers are for his use primarily. He doesn't have to read all signs, and he is impressed, we hope and believe, with the substantiality of the town which erected such markers and such a system of markers.

Industrial Exhibits

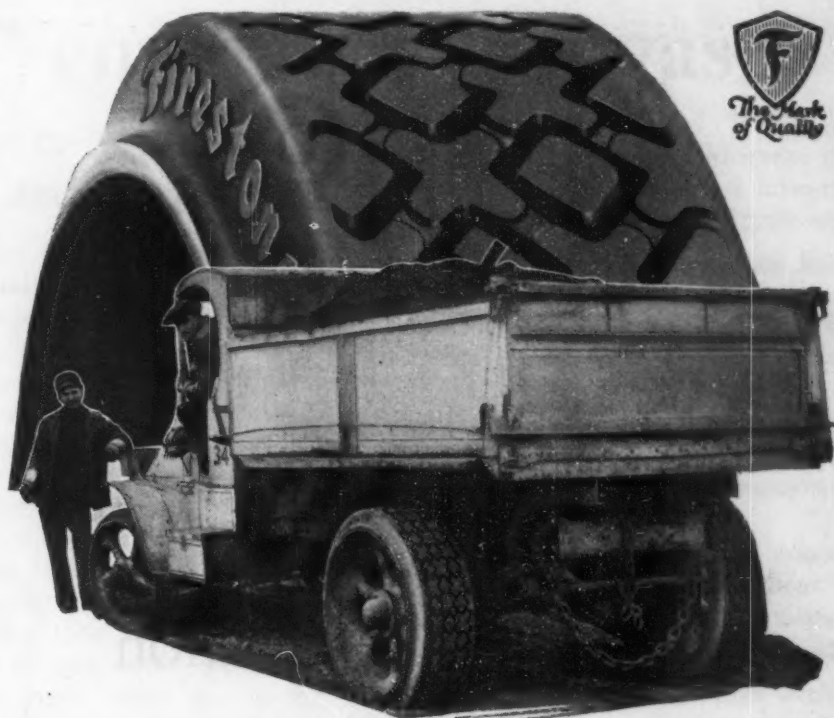
SINCE WRITING the item in the November issue of this magazine on permanent industrial exhibits, we have received several other comments on this activity. Most of these confirm the view expressed in the earlier issue that it is unprofitable to maintain these exhibits. In this connection the secretary of the Los Angeles Chamber of Commerce writes:

We have never maintained a permanent industrial exhibit. We did, however, lease the basement of this building several years ago to a group of manufacturers and others who felt that they wanted to maintain a permanent industrial exhibit therein. It worked out pretty well for a short time, but finally their interest in it seemed to lag and it is now closed up. If it could not be successfully maintained by the manufacturers themselves who had the most to gain, it would be a decidedly unprofitable venture for any chamber of commerce to indulge in.

However, the Trinidad, Colorado, Chamber of Commerce has had a somewhat different experience in maintaining not an industrial but an agricultural exhibit. The secretary writes:

It (the agricultural exhibit) has proven to be very attractive to tourists and those persons interested in agriculture who have visited this office. Many of our visitors, for the first time in their lives, knew what bearded barley, flax, the famous "pinto" beans, etc., really looked like.

The Hartford, Connecticut, Chamber of



Non-Skid Hi-Type

Dependable Traction On or Off the Pavement

Built extra wide and massive to obtain a foothold wherever big trucks have to go. Many sharp edges and angles provide a powerful non-skid, non-slip tread. Extra volume of rubber cushions truck and load and adds to life of tire. Built on a special Firestone brass-plated steel base, permanently anchored to tread by patented dove-tail joint. Call your Firestone Dealer today for facts about the complete line of Firestone Truck Tires and the special truck tire service he is prepared to give.

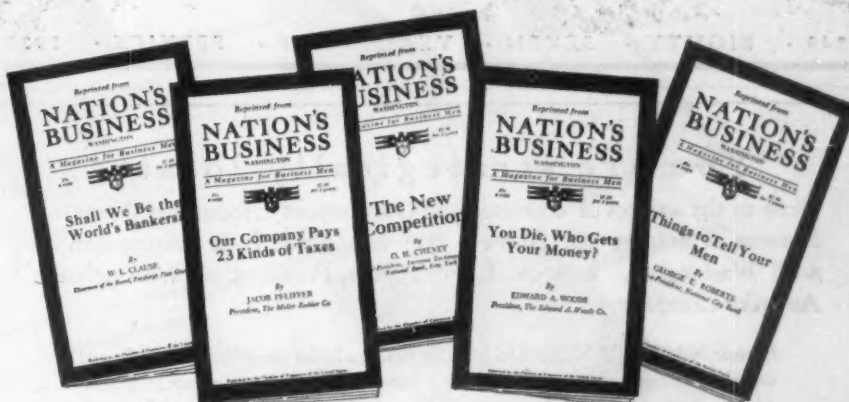
MOST MILES PER DOLLAR

Firestone

TRUCK TIRES

AMERICANS SHOULD PRODUCE THEIR OWN RUBBER

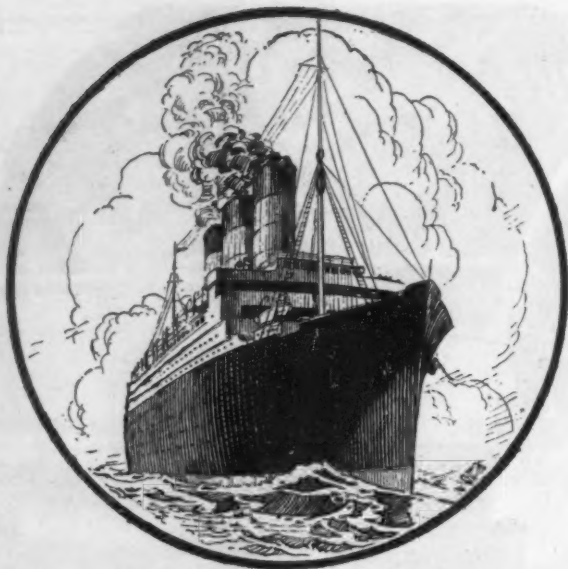
Wholesale Firestone



Reprints of articles appearing in NATION'S BUSINESS may be ordered from us at cost. Or we will give permission on request to reprint articles.

NATION'S BUSINESS, Washington, D. C.

When buying FIRESTONE TIRES please mention Nation's Business to the dealer



Stockholm Convention of the International Chamber of Commerce

For your return trip from Europe—also if you should be going over independently—the Cunard and Anchor Lines offer you a great fleet to choose from and a wide selection of ports to return from.

Cunard ships have represented the world's highest standard since 1840. Their accommodations constantly modernized and beautified, are at all times at their peak in comfort, luxury and refined atmosphere.

No Sea Organization in the world surpasses the co-ordinated operating perfection prevailing on a Cunarder.



CUNARD and ANCHOR Lines

1840 • EIGHTY • SEVEN • YEARS • OF • SERVICE • 1927

"You are strategically located."

Close to the sources of economic and Government information, NATION'S BUSINESS is keeping the business man informed. It is keeping him up with Washington," says A. L. Humphrey, President of Westinghouse Airbrake Company.

Because NATION'S BUSINESS gives the business leader something he needs and something he can use, it is read today by a quarter of a million busy men. If your advertisements are intended to reach such an audience, write to our Advertising Department for details.

NATION'S BUSINESS
Washington, D. C.

When writing to CUNARD and ANCHOR LINES please mention Nation's Business

Commerce maintained an industrial exhibit for a few years, but it was not a success. It analyzed the trouble as the "inability to show machinery in motion—a 'dead' machine attracted little attention."

Cotton-Textile Institute

THE RECENTLY organized Cotton-Textile Institute has received considerable comment. Its purpose is to expand both foreign and domestic markets for cotton and its products, to develop new uses for cotton, to gather statistical information on production, stocks of goods on hand, and to improve methods of manufacture and distribution. The association is organized under the Membership Corporation Law of New York.

The president is Walker D. Hines, former Director General of Railroads; its secretary is George A. Sloan, address 320 Broadway, New York City. Its membership consists of mills in the United States engaged in cotton manufacturing and represents a major portion of the industry, with members in New England and in the south.

In addressing the National Wholesale Dry Goods Association, Mr. Hines said:

Although the institute membership is confined to mill owners, this does not mean that the institute's interests exclude consideration of matters of common interest to the cotton mills and the important instrumentalities in the cotton goods trade. On the contrary, I believe one of the most important functions of the institute is to consider, with the various branches of the cotton goods trade, the questions of common interest and to cooperate in promoting those common interests.

Why a Chamber of Commerce?

A CHAMBER of commerce in a city of twelve thousand five hundred asked, "Why a chamber of commerce in any city that desires to be progressive?" John O'Leary, president of the National Chamber, answered that question as follows:

The principle that men can accomplish more by working together than by working alone is as old as civilization. It is as self-evident as an axiom in geometry. But why should men work together in a chamber of commerce? There are two big reasons. One is that business men and those who share the same background have an important viewpoint to bring to bear on our community problems. The chamber of commerce is the means of organizing and intelligently presenting this viewpoint. The other reason is that if the business men are to be heard in the councils of our communities and of our nation, they must be organized in representative and adequately financed associations. The chamber of commerce is the business man's central organization in the community. Its field includes both civic-building and business-building activities. It should not be weakened by various business interests in the community setting up independently organized and financed research and promotion agencies. Alert business men in any community cannot afford to be without a strong central and representative organization. The chamber of commerce is not only an opportunity. It is a business necessity and a civic responsibility.

Study of Buying Habits

TO DETERMINE the attitude of their customers, the merchants of Janesville, Wisconsin, financed a business survey. The results of the survey show that (1) The majority of their customers are greatly influenced by window displays, (2) most customers do not compare mail order with local merchandise before buying, (3) stores 80 and 90 miles away are real competitors, (4) few

"Half-empty" envelopes are waste

WHAT business man would pay \$1,000 a ton for first-class postage rates if he could secure a rate of \$640? Yet, that is just what many business houses do if they neglect to use enclosure advertising—and let envelopes go out carrying less than the weight allowed under a 2c. stamp.

At no expense for distribution blotters can be slipped into envelopes. Day after day they will drive home in laconic form something prospects should remember.

Not only the manufacturer's own mail—but the mail of his jobbers and dealers—can be utilized by furnishing them with good

It pays to take advantage of the unused margin of postage

blotter advertising. A constant campaign can be kept up at no postage expense, yet traveling as first class mail.

Those interested in taking advantage of the unused margin of postage should have a copy of Standard's Dictionary of Blotter Advertising and the Scrap Book.

The Dictionary shows the six major functions that blotter advertising performs—the 42 kinds of copy that can be used. It relates instances in which blotters have been most successful and suggests how they can be employed in varied businesses.

The Scrap Book reproduces the blotters that many successful advertisers are using. It shows:

- the kind of helps supplied Edison Mazda Lamp dealers.
- how the makers of Lehigh Cement provide blotters suited to the industries of diverse communities.
- how the Upjohn Company keeps its products before doctors.
- the kind of aids Burroughs salesmen use.
- how Squibb gives added emphasis to "The Priceless Ingredient."
- how the National Biscuit Company makes boosters of its stockholders.

Both books will be sent without cost to executives requesting them. Standard Paper Manufacturing Co., Richmond, Va.



Use Enclosure Advertising
Printed on Ink-Thirsty

Standard Blottings

Easy to Specify—Easy to Buy

Standard Blottings are sold by leading paper houses in the United States and Canada

When writing to STANDARD PAPER MANUFACTURING CO. please mention Nation's Business

THE UNIT HEATER

Suspends from Steam Line



that's

Different

**Weights
Only
125 lbs.**

**Greater
Capacity**

**"Directed"
Heating**

THE Modine Unit Heater is different—far advanced. Suspends from the steam line, up out of the way. One compact Modine Unit Heater takes the place of 4900 pounds of direct radiation. Two men can install it in 30 minutes after piping has been completed.

The Modine has more prime heating surface than any other Unit Heater of equal size and weight—greater heating capacity. Heats and distributes over a wide area approximately 2000 cubic feet of air per minute.

With the Modine Unit Heater the warm air currents are directed where wanted. Changes in direction are easily and quickly made. Deflectors give vertical control of heat discharged. Modine alone offers the universal directional advantage.

The Modine Unit Heater costs less than equivalent direct radiation. Is built for life-time service. Send for complete facts. The Modine is extensively used in drying processes. Special information sent on request.

MODINE MANUFACTURING CO., (Heating Division)
Racine, Wisconsin

BRANCH OFFICES IN ALL LARGE CITIES

MODINE

UNIT HEATER

FOR STEAM OR HOT WATER HEATING SYSTEMS

A
MODINE
Product

When writing to MODINE MANUFACTURING Co. please mention Nation's Business

people have confidence in sales, (5) most customers prefer to purchase at a fair mark-up, (6) there is an overwhelming preference for quality over price, (7) 86.7 per cent of the people interviewed read newspaper advertising regularly and are influenced by it, (8) people would rather buy for cash than on a credit basis.

Buying Real Estate

SEVERAL months ago the Civic Development Department of the National Chamber sent out a questionnaire dealing with the acquisition of real estate for public purposes, such as schools, playgrounds, parks, etc. The answers coming from 220 cities have been compiled and are available to anyone interested.

While the data compiled show a wide discrepancy between the assessed valuation and prices paid, even where the legal basis is 100 per cent, they seem to indicate that the prices paid represent the true market value.

Dress and Wash-Up Periods

DUE TO the frequency with which the Department of Manufacture receives inquiries as to the customary procedure among factories as to dress and wash-up periods, a questionnaire was sent out to a selected list of manufacturers. The list, included both large and small plants in varied lines and widely distributed geographically.

The four questions asked were:

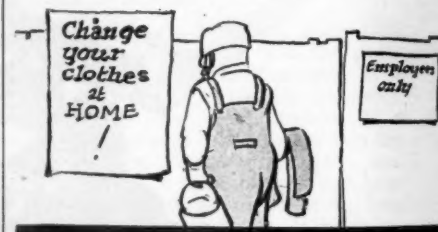
Question 1. Do you allow time in the morning after the starting hour for your factory employes to make changes in clothes?

Question 2. If so, how many minutes?

Question 3. Do you allow time in the evening before closing for washing-up?

Question 4. If so, how many minutes?

A tabulation of the results showed that two employers gave time for changing clothes



after the starting time and that twenty-eight did not. The two employers that did give time had no specified limit but depended on their foremen to see that there was no gross abuse of the privilege. As to giving time before closing, ten did and nineteen did not. In this case there was a wide range of practice, but most of those employers that gave any time gave from five to fifteen minutes.

The Department of Manufacture makes no recommendations but has merely compiled the information, which is available to anyone interested in the subject.

Processional

DISTRACTED EUROPE has built up a tremendous literature glorifying the prosperity of the United States and attempting to arouse their own people to emulation.

Practically every chamber of commerce, especially those in the port cities, receive visits from many delegations of these foreigners. Some come in a more or less official capacity, others are traveling under the auspices of some trade body, while still others are business men banded together through the agency of a travel bureau. In each type

of group there are some that come with a serious purpose and others that are on junkets but imperfectly disguised.

In an effort to ascertain the best method for handling these delegations, the Foreign Commerce Department of the National Chamber sent a questionnaire to chambers in a number of the larger cities. The questions covered the problems of whom to welcome, how to welcome, what to show, etc. The answers have been compiled in a bulletin that is available to those interested. The Foreign Commerce Department is also getting out periodically a bulletin available to interested chambers, which gives information relative to the proposed visits of foreign delegations, their make-up and their itinerary.

Valuing Public Parks

LESS ATTENTION has been given to the economic advantages of public parks than to their aesthetic and recreational values. But a study of the reports of park boards of American cities and other park literature throws some light upon a park's effect upon real estate values and the stimulation of general commercial growth.

The Civic Development Department of the National Chamber reveals that properly planned and administered park systems:

- Increase and stabilize adjacent real estate values;
- Attract new residents to the city;
- Promote the desire for home ownership;
- Increase the contentment of working men;
- Encourage and increase the profits of building operations.

It is well to point out that the economic value of a public park may be reduced or nullified by improper planning. In the case of Prospect Park in Brooklyn the increase of real estate values was not as rapid as it might have been, had there been proper transportation facilities, according to Nelson P. Lewis in "The Planning of the Modern City."

The Minnesota law is an example of the recognition of the rise in property values. The law is based on the assumption that the rise in values will in ten years pay the cost of the park. So any group of taxpayers may petition the board of park commissioners, expressing their readiness to be taxed annually for ten years to pay for the park.

Coming Business Conventions

(From Information Available March 1)

Date	City	Organization
April 4	New York	Association of Marine Underwriters of the United States.
4-5	Mattoon, Ill.	45th District Convention of Rotary International.
4-8	Philadelphia	National Association of Hosiery and Underwear Manufacturers.
5	New York	National Council of American Importers and Traders, Inc.
5	New York	Wholesale Dress Manufacturers Association.
6-7	Philadelphia	Pennsylvania, New Jersey, and Delaware Wholesale Grocers Association.
13-14	Cleveland	National Warm Air Heating and Ventilating Association.
Wk. of 18th	Chicago	National Association of Insurance Agents.
18-19	St. Louis	American Zinc Institute, Inc.
19-22	Dallas	National Association of Sheet Metal Manufacturers of the United States.
19-21	Jacksonville	Southeastern Retail Hardware and Implement Association.
19-21	Atlanta	Southern Gas Association.
20-21	Atlantic City	National-American Wholesale Lumber Association, Inc.
26-29	Chicago	Retail Delivery Association of the National Retail Dry Goods Association.
28-29	Chicago	National Lumber Manufacturers' Association.



If only the Axe
weren't so big!

GRINDING away on the problem inside your factory may not be your solution—a new location for your factory may be the key to lower costs and better marketing.

If you've felt the grip of "factors beyond control"—modern conditions, selling, buying trends—possibly there is another base location for your business that will give you a more favorable set of conditions—savings and advantages far greater than any other locality can offer you. New York is best for one firm—Milwaukee for another.

17 plants came to Wilmington last year—for its superior COMBINATION of advantages for their operations.

We suggest that you have certain localities measured up—see which would enable you to offer the greatest advantages to your customers.

WE OFFER YOU A CONSULTANT—to represent you confidentially. If you will write us your needs—materials, type of labor, services like power, water, gas, R. R. sidings, etc., and where you want to cut costs—our CONSULTANT will carefully study our city's qualifications from your standpoint, and give you a reliable report, Free of Charge.

This may open up surprising possibilities for you—it will be so handled as to conserve your time.

HIGH SPOTS Over-night deliveries to 30 Million People.

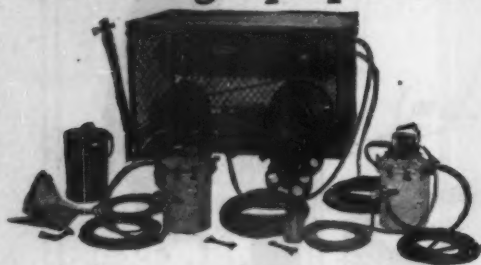
- § Labor of all grades.
- § Short haul from coal mines and refineries.
- § Many industries.
- § Three fine railroads.
- § Great new Marine Terminal.
- § Freedom from shipping jams.
- § Convenience to foreign & coastwise markets & fast-growing Southeast.

Address: Industrial Department, Room 1303 Chamber of Commerce.

WILMINGTON
DELAWARE
"The Port of Personal Service"

When writing to WILMINGTON CHAMBER OF COMMERCE please mention Nation's Business

HOW TO FIGURE THE SAVINGS of Mechanical Painting Equipment



Matthews Mechanical Painting Equipment will save a large portion of the money you are now paying to get paint put on the surface. It will enable you to speed up your interior and exterior maintenance painting. Don't try to save money on the initial cost of equipment because real economy is dependent upon service over a period of time. And it takes well built, carefully designed equipment to do this.



How to Judge

Look into the question of controlled paint spraying. You don't want equipment that will paint everything else in addition to the surface you are spraying. You can assemble a cheap equipment yourself but it won't give the service or results that you will get from the carefully designed, and properly built Matthews Equipment.

Proven by Use

Over a period of years in the most strenuous service, Matthews Mechanical Painting Equipments have given excellent service from every standpoint for companies such as the B. & O. Railroad, Ford Motor Company, The Texas Company, United States Lines and many others. Each unit in a Matthews Equipment has been designed and proven the best for the job for which it is intended. These equipments have 27 years of engineering experience and \$300,000.00 development investment back of them. You will profit by investing in the complete Matthews Equipments. They are guaranteed.

Get This Booklet

"Mechanical Painting for Maintenance" is a complete booklet on painting problems and equipment. Send for it.



W. N. MATTHEWS CORPORATION
3758 Forest Park Blvd. St. Louis, U. S. A.

MATTHEWS MECHANICAL PAINTING EQUIPMENT

24 MF

On the Business Bookshelf

Arbitration and Business Ethics, by Clarence F. Birdseye. D. Appleton and Company, New York, 1926. \$2.50.

Commercial Arbitration, compiled by Daniel Bloomfield. The H. W. Wilson Company, New York, 1927. \$2.40.

Professional and Business Ethics, by Carl F. Taesch. Henry Holt and Company, New York, 1926.

Arbitration plainly has helped greatly in the development of business ethics. A sort of guild spirit in business organizations has fostered detailed and technical regulations to prevent misunderstandings in business transactions. Tribunals, composed of honored, capable members of the organizations, have been set up to interpret the regulations and thus check increasing litigation between members that would lead to hard feeling and disruption of the organization. Arbitration is expressive of the modern spirit of cooperation.

Arbitration by experts does away with the necessity in courts of many expert witnesses whose conflicting evidence led one juror to classify liars in the three gradations: plain liars; damned liars; expert witnesses.

Two notable examples of self-government in business, as told by Mr. Birdseye, are the New York Stock Exchange and the New York Clearing House, in the latter of which, with a total annual business of \$320,000,000,000—almost equal to the total wealth of the United States—all disputes are now settled before the stage of formal arbitration by mere official interpretations of rules which are invariably followed.

Mr. Birdseye also devotes sections of his book to common law arbitration and statutory arbitration, both of which fall short of the perfection of the standards of commercial arbitration, and to industrial arbitration which is collective bargaining rather than arbitration when applying to wage agreements.

The handbook on Commercial Arbitration by Mr. Bloomfield is intended to make the best material on the subject available in compact form, edited so as to be of direct value to business men, lawyers, and students.

Commercial arbitration is appealing to business men now because of the slowness of crowded courts and expenses of protracted litigation. Also jurors are not sufficiently informed clearly to decide cases hinging on technicalities of modern business. Against these difficulties trade associations and chambers of commerce offer means of settlement through arbitrators often having a technical knowledge requisite to the just decision of the case at hand. Arbitration has less formality than courts of law, avoids publicity, preserves trade secrets, is less expensive, renders prompt decisions, and conserves the feeling of friendliness between contestants more than would court litigation.

Professional men, too, are among those putting philosophy of conduct into every-day life. Mr. Taesch, associate professor of philosophy in the State University of Iowa, has sensed the growth of higher standards and ideals in ethics and has in this volume given his practical interpretation of this trend. He deals with the principal professions—law, medicine, teaching, engineering, business and others—explaining their principal ethical problems.

Canada and the Twentieth Century, by Donald M. Marvin and J. Edwin Van Buskirk. The Royal Bank of Canada, Montreal, Canada, 1926. For free distribution.

Incredible as it may seem to many Ameri-

cans, Canada is a country larger than the United States including Alaska, while the population is less than 10 per cent of that of the United States. Canada with its resources has prospects for development similar to those of the United States in the last century.

"Canada and the Twentieth Century," a graphically illustrated booklet which tells of the agricultural and mining resources, of industrial and transportation facilities, and of other vital elements of Canada, gives a clear view of the Canadian situation and the possibilities of the establishment of other industries in Canada.

Investments Abroad, by A. Emil Davies. A. W. Shaw Company, Chicago and New York, 1927. \$4.

The president of the First Cooperative Investment Trust, Limited (London), undertakes gently to chide American investors on their odd habits of foreign investments. It seems our timorous investors have favored foreign government securities to industrial stocks and bonds. Why, America even passed up an issue of 7½s and the loan was issued in London. As Mr. Davies remarks on this:

"Not that London objects, for so long as the United States is kind enough to guarantee the maintenance of the gold standard, it is excellent business for English financiers to have these good loans passed on to them to yield between 7 per cent and 8 per cent when the money required therefor can be borrowed from across the Atlantic at 5 per cent."

Mr. Davies writes with kindly, sympathetic interest in our childlike financial follies. His book is particularly readable since written in the light of London's hundred years' experience of foreign investments.

RECENT BOOKS RECEIVED

American Agricultural Villages, by Edmund deS. Brunner, Gwendolyn S. Hughes, and Marjorie Patten. George H. Doran Company, New York, 1927. \$3.50.

American Institutions and Their Preservation, by William W. Cook. Published by the author. New York, 1927. \$1.25.

Beating the Stock Market, by R. W. McNeel, McNeel's Financial Service, Boston, Mass., 1927.

The Economic Basis of Fair Wages, by Jacob D. Cox, Jr. The Ronald Press Company, New York, 1926. \$3.50.

The Foreign Expansion of American Banks, by Clyde William Phelps. The Ronald Press Company, New York, 1927. \$4.

Principles of Employment Psychology, by Harold Ernest Burr. Houghton Mifflin Company, New York, 1926. \$4.

Foreign Rights and Interests in China, by Westel W. Willoughby. In two volumes. The Johns Hopkins Press, 1927. \$12.

Principles of Organization Applied to Modern Retailing, by Paul M. Mazur and Myron S. Silbert. Harper & Brothers, New York, 1927.

Scientific Humanism, by Lothrop Stoddard. Charles Scribner's Sons, New York, 1926. \$2.

Tips on Leadership—Life Stories of Twenty-five Leaders, by Herbert N. Casson. B. C. Forbes Publishing Co., New York, 1927. \$2.

222 Operators Work Better Under Improved Lighting

FIVE times as much light is now available to the 222 operators of the Darlington Textile Company of Pawtucket, Rhode Island. From irregular spotty lighting that slowed down production, the Jacquard looms now have uniform and adequate illumination throughout the working area. The company is highly

enthusiastic as to the benefits derived from the new lighting which cost less than 1 per cent of the payroll of operators affected to install and operate.

This same satisfaction was experienced by over 15,000 factories which brought their lighting up to standard last year.

The Blackstone Valley Gas & Electric Company of Pawtucket, R. I., gave expert engineering service on lighting to many factories in its area last year and has specialists available to assist customers in obtaining the many benefits of proper lighting.



BEFORE—Spotty, uneven illumination interfered with production



AFTER—Uniform illumination decreases opportunity for spoilage

Industrial
Lighting
Fact No. 6

You, too, can increase your production by bringing your lighting up to the proper standard. Without cost your local electric light company will show you how.

Industrial Lighting Committee, National Electric Light Association
29 West 39th St., New York

To officers of corporations

The Equitable acts in the following corporate trust capacities:

1. As trustee under mortgages and deeds of trust, securing bonds of railroad, public utility and industrial corporations.
2. As transfer agent and registrar of stock. (In the transfer of even a single share of stock there are thirty-five separate steps. Each one of them is vital to a proper transfer; if a single error is made confusion, loss of time and expense will result.)
3. As depository under protective agreements or under plans of reorganization of railroad, public utility and industrial corporations.
4. As agent and depository for voting trustees.
5. As assignee or receiver for corporations under action for the protection of creditors.
6. As fiscal agent for the payment of bonds, and coupons of states, municipalities and corporations.

Without incurring any obligation, consult the nearest office of The Equitable with regard to any of the services rendered by our Corporate Trust Department.



In the transfer of one share of stock you can make thirty-five mistakes

And any of those mistakes may cause expensive litigation, loss of prestige and perhaps the loss of a customer.

Appoint The Equitable your transfer agent and be assured of the complete and proper execution of that phase of your business. Read the column at the left . . . then send for our booklet, *The Equitable Trust Company of New York, Transfer Agent*.

THE EQUITABLE TRUST COMPANY OF NEW YORK

37 WALL STREET

MADISON AVE. at 45th ST. 247 BROADWAY
MADISON AVE. at 28th ST.

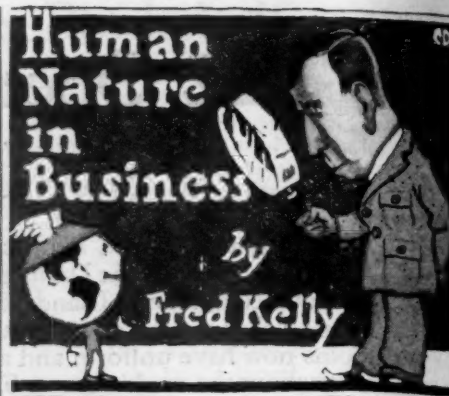
DISTRICT REPRESENTATIVES

PHILADELPHIA: Packard Building
BALTIMORE: Keyser Building,
Calvert and Redwood Sts.
ATLANTA: Healey Building
CHICAGO: 105 South La Salle St.
SAN FRANCISCO: Financial Center Bldg.

LONDON • PARIS • MEXICO CITY

Total resources more than \$475,000,000

© E. T. C. of N. Y., 1927



"WOMEN in hotels are the most trouble and most damaging to property," says a chambermaid, who has been at this kind of work for eighteen years. "Next in order of damage and trouble are young men. Least troublesome are older men who live alone. They are usually neat and orderly. Young men make much dirt and disorder from their cigars or cigaret ashes. Also, they sometimes burn holes in sheets or table covers, and they use towels to wipe off their shoes. But even at that, they do less harm than an average woman. More damage is done by rouge on towels than by using towels to wipe off shoes. Then, women have their facial powder or cold



cream all over everything. They have many foolish little trinkets and odds and ends of clothing to be picked up, and they complain if one of these seems to be mislaid. Yes, and they are more likely to carry towels away with them than men are."

BESIDES being barred from the grounds of the Vatican, bobbed-haired women are not permitted to hold jobs as floor clerks in a number of large hotels. In fact, I believe this objection to short-haired floor clerks exists almost everywhere. The explanation is that she is supposed to be a kind of motherly soul and not a flip-looking creature who might inspire male guests to make bantering remarks. True, many a woman of motherly age and impulses does wear her hair short; but the point is that hotels prefer floor clerks without the slightest suspicion of flapperism.

ON THE other hand, hotels are now showing a far more liberal attitude toward women guests in regard to male callers. Not many years ago, women guests could talk to their men friends only in public rooms, and those who attempted to do otherwise risked being excluded as undesirables. Today all that the average well-regulated hotel insists upon is that such callers announce themselves to a clerk. The guest room door is supposed to be left just a wee bit ajar to indicate that it is unlocked. A few hotels in smaller cities



A typical group of Davey men

Not a man whose honesty is questioned!
Not a man who is a loafer!
Not a man who is careless!

The story of the building of the Davey Organization is an interesting thing in itself. It is an impressive story to anyone who is concerned with the problem of human organization. Because The Davey Tree Expert Company has very little to sell except the service of trained, responsible men.

Not a man is used in the Davey organization who is not Davey selected and Davey trained. The reason that there are no dishonest men or loafers or careless ones in the Davey organization is a very simple one. It is because the wrong kind are kept out or eliminated as quickly as they are discovered. The process of elimination goes on continuously.

The cost of training a Davey Tree Expert is very considerable. Even the cost of selecting one is heavy. It makes no difference how much of an investment the Davey Company has in a man, if he proves to be the wrong kind, he is eliminated, without waste of time. All because the Davey Company has little to sell except trained

Nearly 800 selected men, with the wrong kind immediately eliminated, and with the remaining good ones thoroughly trained, both practically and scientifically, all carefully supervised and disciplined and held to a high standard of workmanship, technique and professional ethics—this is the organization of Davey Tree Experts

By Martin L. Davey
 President

and reliable human service and a reputation to maintain.

It is the unvarying policy of The Davey Tree Expert Company to give superior service of unquestioned value and integrity. You see the finished product in the truly remarkable men to whom you entrust the care of your priceless trees. The purpose of this little story is to tell you *why* they are uniformly good and uniformly reliable. You must buy tree expert service on faith, and we propose that your faith shall be amply justified. We guarantee the integrity, training and skill of Davey representatives.

The Davey Tree Expert Co., Inc., 809 City Bank Bldg., Kent, Ohio. Branch offices with telephones: New York, 501 Fifth Ave., Phone Murray Hill 1629; Albany, City Savings Bank Bldg.; Boston, 705 Statler Bldg.; Pittsfield, Mass., Stevenson Bldg.; Providence, R. I., 36 Exchange Place; Philadelphia, Land Title Bldg.; Baltimore, American Bldg.; Washington, Investment Bldg.; Pittsburgh, 331 Fourth Ave.; Buffalo, 110 Franklin St.; Cleveland, Hippodrome Bldg.; Detroit, General Motors Bldg.; Cincinnati, Mercantile Library Bldg.; Louisville, Todd Bldg.; Indianapolis, Fletcher Savings & Trust Bldg.; Chicago, Westminster Bldg.; St. Louis, Arcade Bldg.; Kansas City, Scarratt Bldg.; Minneapolis, Andrus Bldg.; Montreal, Insurance Exchange Bldg.; Toronto, 71 King St., West; Stamford, Conn., Gurley Bldg.; Hartford, Conn., 36 Pearl Street.

Attach this coupon
 to your letterhead
 and mail today

THE DAVEY TREE
 EXPERT CO., INC.
 718 City Bank Bldg.
 Kent, Ohio

Reg.
 U. S.
 Pat. Off.



JOHN DAVEY
 Father of
 Tree Surgery

Gentlemen: Without cost or obligation on my part, please have your local representative examine my trees and advise me as to their condition and needs.

DAVEY TREE SURGEONS



More Facts for Stockholders

Far-sighted savers invest their dollars in producing enterprises, because they recognize that dollars can be made to earn more in property than they can as currency in the bank.

These investors realize that dollars invested in property are subject to both appreciation and depreciation in value.

Recently, therefore, they have learned to demand periodic statements as to the condition, future, and value of the property representing their invested dollars. Thorough accounting for that part of the asset accounts made up of property, is essential in verifying the accuracy, not only of the balance sheet, but of the earnings statement as well.

When plant accounts and depreciation are checked with the carefully controlled data presented in American Appraisal Service, stockholders are satisfied, management is protected.

The American Appraisal Company

MILWAUKEE

PUBLIC UTILITIES - INDUSTRIALS - REAL ESTATE PROPERTIES - NATURAL RESOURCES

A NATIONAL ORGANIZATION

still follow more Puritanical regulations but this is perhaps because they have not yet become aware of the changed attitude that has taken place.

The more liberal policy, a famous hotel manager tells me, is due to the great number of prosperous business women who now live in hotels and have no other homes. They are too busy to keep house and yet if they can't receive men callers in their own rooms with the same freedom that they would at home, they are not content to stay in a hotel.

NEVERTHELESS, one chain of hotels, which gives high-grade service but at comparatively low prices, by having small rooms, narrow hallways, and other space-saving schemes, has men and women on different floors, and no provision for married couples to share rooms.

IN EVERY large city are collection agencies which specialize in tracing families who have secretly moved from one place to another and ceased to keep up payments on instalment purchases. Their favorite method of learning a new address, if a family remains in the same town, is to make inquiry of public utility companies. If a customer has been using electric light or gas, and continues to do so, he naturally must notify the company of his new location. This source of information is becoming less valuable, however, because of the increasing number of furnished small apartments where payment for electricity or gas is made directly to the manager. But if a family has children in school, it is almost impossible for them to lose themselves so long as they remain in the same town. Their new address is certain to appear on the school records.

"WE ARE no longer surprised," says a department store credit manager, "when a well-dressed man in filling out one of our blanks to apply for credit, gives his occupation frankly as bootlegger. It hap-



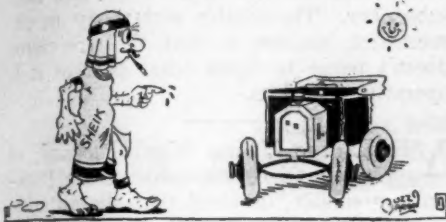
pens once or twice a month. Such candor seems so disarming that we have never reported the cases to police authorities."

AUTOMOBILE dealers know that expensive cars sold for family use are usually picked out not by the man of the house but by his wife or his daughters. The sales manager of a Detroit company manufacturing one of the highest priced cars, recently sent out a blank containing questions to be answered by new owners, and one question was: "How much influence did your wife have in your selection of this car?" Strange to relate, a majority of those returning replies, even though they knew their names would not be made public, declared that wifely influence was negligible.

"But still more surprising," says the sales

manager, in telling me about it, "is the fact that the man who says his wife hadn't influenced him, almost invariably appeared to be considerably brow-beaten by his better half. He has an inferiority complex and denies his wife's influence because he is ashamed of it. We quietly looked up a number of cases and when a man admitted that his wife had the deciding vote, she was usually a demure little woman who said scarcely a word."

"MOST automobile thefts," says an insurance man, "are by young lovers. Three-fourths or more of all cars reported stolen are taken or 'borrowed' by young men who can't afford to buy or hire cars



to take their sweethearts riding. Only about one out of every 100 cars stolen is taken by thieves who intend to re-sell."

A LOW-PRICED car, stolen in a western city, was found in possession of a 16-year-old boy who had not driven it at all, but had greatly improved it by mechanical work on it. He said that as soon as he had taken it all apart and repaired defects as well as he could, he intended to return it. In other words, he risked arrest as a thief not from motive of gain but because of an unsatisfied craving to do mechanical work.

"WE BUSINESS men owe much to the hobbies of our employes," said a manufacturer who has several hundred on his pay-roll. "It is possible to get a higher grade of service from a man if he has a hobby than if his only interest is his job. What I mean is this: Suppose a man is a failure as a salesman or at some other high-salaried line of work and is compelled to take a routine job, such as accountant, minor executive work or even a clerkship. He is too intelligent to be pleased with his job, but nevertheless does it well and sticks at it year after year. Now, this wouldn't be possible for him if he didn't get contentment and satisfaction out of something else than his job. His interest in raising dogs or chickens, or putting at amateur carpentry keeps him in a happy frame of mind."

"THE MORE widely an automobile is distributed," an automobile manufacturer says, "the less satisfactory the springs will be to a few. What I mean is that a car sold in all parts of the United States must have springs that will do fairly well on smooth city streets and on rough roads. If stiff enough for the worst roads, they will be too stiff for maximum comfort on smooth roads. The ideal condition would be to fit each man with his car almost as carefully as you would if he were buying a suit of clothes. If you knew what kind of roads he would mostly ride over and



RADIOGRAMS

A reply from overseas within the hour!

It is the usual thing to receive a reply to an urgent Radiogram within the hour. Radiograms offer advantages in speed and accuracy because they go direct to the country of destination without relay.

Many of the largest firms now use this new-day method of communication. The executive just tells his secretary "Send that message as a Radiogram"

"Via RCA"

In New York, Boston or Washington, phone for an RCA messenger for speedy Radiogram service. In other cities file Radiograms to Europe and South America at any Postal Telegraph office; to Japan, Hawaii and the Dutch East Indies at any Western Union office.

RADIOGRAMS

go direct to:

FRANCE
GERMANY
GREAT BRITAIN
HOLLAND
ITALY
NORWAY
POLAND
SWEDEN
ARGENTINA
BRAZIL
HAWAII, JAPAN
the DUTCH
EAST INDIES
and FRENCH
INDO-CHINA

and to ships at sea

Send Today for Radiogram Rate Sheet

RADIO CORPORATION OF AMERICA

RCA OFFICES IN THE FOLLOWING CITIES

NEW YORK CITY

64 Broad Street.....	Hanover 1811	25 East 17th Street.....	Stuyvesant 7050
19 Spruce Street.....	Beekman 8220	264 Fifth Avenue.....	Madison Square 6780
120 Cedar Street.....	Rector 0404	19 West 44th Street.....	Murray Hill 4996
126 Franklin Street.....	Walker 4891	1824 Broadway.....	Columbus 4311

BOSTON, 109 Congress Street..... Liberty 8864
WASHINGTON, D. C., 1112 Connecticut Avenue, Main 7400
CHICAGO, 10 So. La Salle Street..... Dearborn 1921
SAN FRANCISCO, 28 Geary Street..... Garfield 4200
HONOLULU, T. H., 923 Fort Street..... 6116

Packages insured as wrapped



NO waiting your turn at crowded windows, no extra handling of packages, no delays and no red tape in collecting on packages stolen or destroyed in the mails. That's the satisfaction of North America Parcel Post Insurance. Coupons from a North America Coupon Book insure each package at the wrapping desk—and cost but a few cents.

Ask the North America Agent or send the attached coupon for full information.

the North America way

"The Oldest American
Fire and Marine
Insurance Company"

Founded 1792

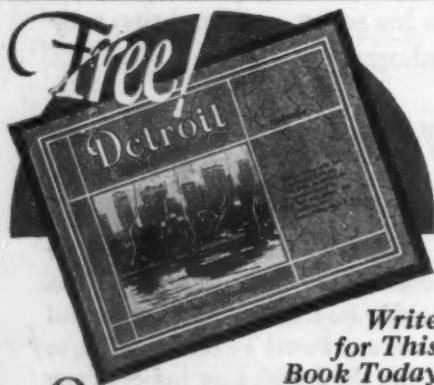
Insurance Company of North America
Sixteenth Street at the Parkway
Philadelphia, Pa., Dept. N-4

Name

Street

City State

Wants information on Parcel Post Insurance



Write
for This
Book Today

ONE square mile of land is required every month to provide for Detroit's growth in population and industry.

Fortunes are being made in Detroit real estate. The investor has exceptional opportunity here. Yet Detroit has only started its career as a great commercial and industrial center.

You will enjoy this wonderfully illustrated book about Detroit and Dearborn—the center of Greater Detroit's west side, where Henry Ford has built the world's largest single industry.

You should have this book!

Wanted—State Managers. Men of character and standing. Big opportunity for men who qualify.

**WE SELL THIS EARTH
GLOVER WATSON ORGANIZATION INC.
WE SELL THE EARTH**

WASHINGTON BLVD. BLDG., DETROIT, U. S. A.



The logical location for Southern Industries. Four radiating trunk line railroads, eight steamship lines in world commerce, economical electric power, abundant labor, mild climate, pure water, living conditions ideal. Many available factory sites on deep water or inland.

The place for you to locate.

For information and booklet address
**TOURIST AND CONVENTION
BUREAU
CHAMBER OF COMMERCE
Charleston, S. C.**



the average weight of those in his family who would usually be in the car, you could give him real comfort. But that would mean having each car made to order, which would greatly add to the expense. It would not be possible in quantity production."

WHEN I was a youngster I carried newspapers, and one of my customers lived a mile from any of the others. He was an upholsterer, named Ednor Rositer, and he could talk fascinatingly with an entire box of tacks in his mouth. My weekly profit on walking that mile to and from his home, a total of 12 miles a week, was exactly three cents. It never occurred to me until this minute that it would have been better business to have lost him as a subscriber. The trouble with many an unsuccessful business is that the proprietor doesn't pause to figure what part of it is operating at a loss.

YEARS ago, James Ward Packard, of Warren, Ohio, originator of the Packard automobile, declared that the automobile manufacturing business was going to become one of the leading industries of the country.

"That," he added, "is why I am going to sell out my automobile interests. It's going to be a bigger enterprise than I care to bother with."

And sell out he did.

I RECENTLY wished to buy a new strap for my son's wrist watch which, including a strap, when new, had cost \$1. After failing to find the right size in a ten-cent store, I went to a little shop dealing in trunks and leather goods. They were prepared to furnish a thin little strap of the cheapest quality for \$1.25. The young man who waited on me at first tried to excuse the high price, but when I pointed out that the strap and watch had cost less than he was asking for the strap, he said:

"Well, to tell the truth, our repair department is losing money and we try to discourage such business."

Since then I have been wondering how much ill will among customers has been created by that kind of discouragement and what its total cost will be—if the store should be able to continue in business.

I NOTICE that candy at \$2 a pound has finally arrived.

"It's impossible to put that much value into candy," admits a store manager, "but people kept asking for something more ex-



pensive—particularly rich young fellows who wished to make favorable impressions on their girls. You know, the purpose of expensive candy gifts isn't so much how it will taste as to show that somebody was willing to pay so much for it."